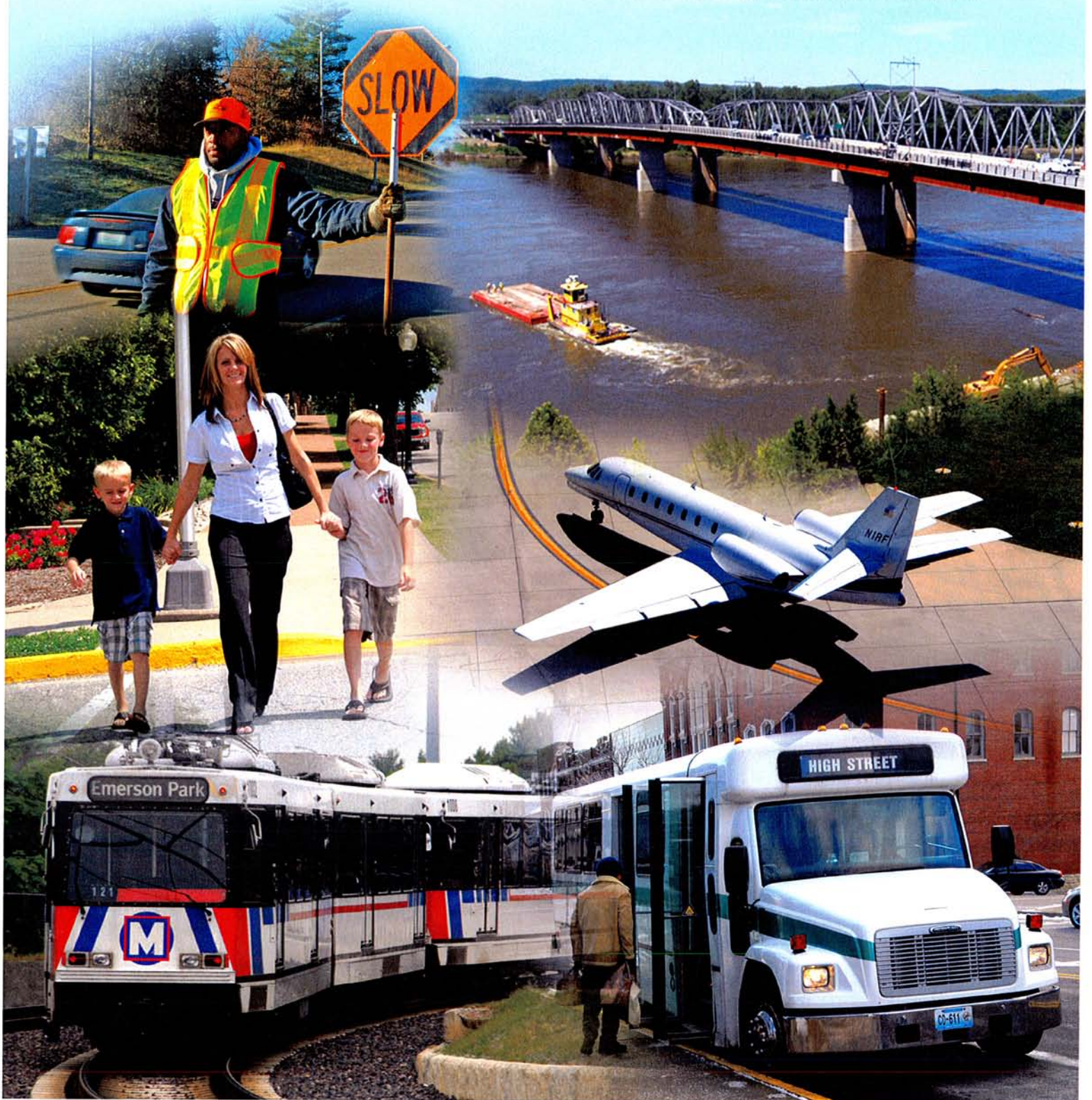


Comprehensive

# ANNUAL Financial Report

For the fiscal year ended June 30, 2009

 Missouri Department  
of Transportation  
*An agency of the State of Missouri*



# **Comprehensive Annual Financial Report**

for the fiscal year ended  
**June 30, 2009**

Prepared by the Controller's Division  
under the direction of  
Roberta Broeker, CPA, Chief Financial Officer  
and Debbie Rickard, CPA, Controller

Missouri Department of Transportation  
105 West Capitol Avenue  
Jefferson City, MO 65102  
(573) 751-2551



**Missouri Department  
of Transportation**  
an agency of the State of Missouri



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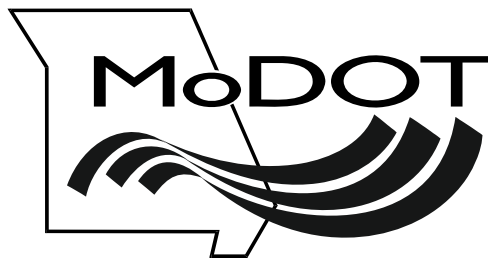
# Introductory Section

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Missouri  
Department  
of Transportation



Pete K. Rahn, Director

105 West Capitol Avenue  
P.O. Box 270  
Jefferson City, MO 65102  
(573) 751-2551  
Fax (573) 751-6555  
[www.modot.org](http://www.modot.org)

September 30, 2009

The Honorable Jay Nixon, Governor  
Members of the Missouri Legislature  
Members of the Missouri Highways and Transportation Commission  
Citizens of the State of Missouri

The Missouri Department of Transportation (MoDOT or the Department) is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Department for the fiscal year ended June 30, 2009.

Revised Statutes of Missouri, Section 21.795, require the Department, an agency of the State of Missouri, to have an annual financial report audit performed by independent certified public accountants. In fulfillment of this requirement, as well as bond requirements, the Department prepared this CAFR and contracted with the independent auditing firm of BKD, LLP to audit the financial statements.

The objective of the independent audit is to provide a reasonable assurance the financial statements are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the Department's financial statements for the fiscal year ended June 30, 2009, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Their report is presented as the first component in the financial section of this report.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement Management's Discussion and Analysis, which can be found immediately following the report of the independent auditors, and should be read in conjunction with it.

The CAFR includes all funds from which MoDOT spends, with only MoDOT appropriations reported for the Missouri General Fund. These funds are used to record the financial activities of the Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Department.

To provide a reasonable basis for making these representations, the Department has established a comprehensive internal control framework designed to protect the Department's assets from loss, theft, or misuse and to compile reliable information for the preparation of the financial statements in conformity with GAAP. The Department's internal control includes both automated controls, which are an integral component of the financial accounting system, and comprehensive policies and procedures. In addition, the Department's Audits and Investigations Unit is an independent audit unit that performs operational audits of the various districts, divisions, and units of the Department.

Because the cost of internal controls should not outweigh their benefits, the Department's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements.

*Our mission is to provide a world-class transportation experience that delights our customers and promotes a prosperous Missouri.*



The Honorable Jay Nixon, Governor  
Members of the Missouri Legislature  
Members of the Missouri Highways and Transportation Commission  
Citizens of the State of Missouri

To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds. All disclosures necessary to enable the reader to gain an understanding of the Department's financial activities have been included.

## **Profile of the Department**

MoDOT works to provide a world-class transportation experience that delights our customers and promotes a prosperous Missouri. The Department is responsible for designing, building, operating, and maintaining Missouri's transportation system - the seventh largest in the United States with more than 33,000 miles of highway and 10,000 bridges. The Department also works to improve airports, river ports, railroads, public transit systems, and pedestrian and bicycle travel.

In 1979 voters of the State passed a constitutional amendment merging the State Highway Department with the Department of Transportation, becoming the Missouri Highways and Transportation Department. In 1996 the Missouri Highways and Transportation Department became the Missouri Department of Transportation by legislative action. The Missouri Highways and Transportation Commission (MHTC or Commission), a six-member bipartisan board, governs the Department. Commission members are appointed by the governor and are confirmed by the Missouri Senate. No more than three commission members may be of the same political party. The Commission appoints MoDOT's director.

The Commission is responsible for the annual update of the Department's five-year Statewide Transportation Improvement Program (STIP) and awards contracts each month for highway projects. The Commission has authority to issue state road bonds secured by highway revenue.

As shown on the organizational chart following this letter, the Department is organized in three operating wheels.

- The System Delivery Wheel includes Program Delivery, System Management, Multimodal Operations, and MoDOT's ten districts. This wheel is responsible for design and construction of new highways and facilities; external civil rights; the five-year STIP; maintenance and safety of the existing highway system; motor vehicle regulations including registration and other licenses, taxes, and fees; and all other modes of transportation.
- The Organizational Support Wheel is responsible for community relations, governmental relations, legal counsel, audits and investigations, and the overall results of the organization to ensure the Department is accountable to taxpayers.
- The System Facilitation Wheel provides support to the Department's districts, divisions, and units, including personnel, workforce diversity, budget and finance, accounting, general services, risk management and employee benefits, and information systems.

## **Budgetary Controls**

The Commission approves the appropriation request submitted to the State Legislature for all governmental funds reported by MoDOT. The request is developed with input from the districts and central office divisions and units. The legal authority of the State Road Fund budget and amendments is the Commission. The legal authority for all other funds rests with the Legislature, with action on appropriation requests in January through May for the subsequent year's appropriations.

The Department relies on the statewide accounting system to control total expenditures by appropriation, utilizing features in the system to ensure budgetary compliance. Management control reports are used to monitor spending by program, division, or appropriation.

The Honorable Jay Nixon, Governor  
Members of the Missouri Legislature  
Members of the Missouri Highways and Transportation Commission  
Citizens of the State of Missouri

## **Missouri Economy**

Overall manufacturing employment in the state continues to decline. Missouri's unemployment rate is high by historical standards and has been increasing throughout most of 2009. Additionally, Missouri's unemployment rate tends to follow the national rate, and the national rate is expected to rise above 10 percent. Personal income in Missouri continues to grow; however, adverse broader economic conditions have slowed its growth.

MoDOT has significantly contributed to the state in the areas of job creation, personal income growth, and new value added to the economy. An analysis of the 2009-2013 STIP estimates that, on average, each year the plan creates 8,434 additional jobs paying an average wage of \$29,373 per job, \$319.4 million in new personal income annually, and \$595.7 million in new value added to the economy annually.

However, the future state of transportation funding is uncertain. Increased corporate average fuel economy standards (CAFE) and rising transportation costs have a combined effect of lowering gas tax collections. The Department's state fuel tax receipts for fiscal year 2009 fell due to lower vehicle miles traveled, which was a result of rising transportation costs and adverse economic conditions. Sales tax receipts declined sharply due to tighter credit standards, high unemployment, lower personal income growth, and weak consumer outlook.

Federal funds are also uncertain. On August 10, 2005, President Bush signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU), a multi-year transportation funding bill. This national highway act expires September 30, 2009 and no action has been taken to approve the next authorization act. Current discussions include a possible extension of the current highway act for up to 18 months. In September 2008, Congress, working in conjunction with the President, transferred over \$8.0 billion of federal funds from the General Fund to the Federal Highway Trust Fund to maintain adequate funding to the states. A second transfer of \$7.0 billion was required in August 2009 to maintain solvency.

## **Construction**

As of December 2008, more than 83 percent of Missouri's major highway system roadways are in good or better condition, a 76 percent improvement in the last four years, resulting from the Department's unprecedented amount of work. As of June 2009, customer satisfaction with MoDOT has risen to 85 percent from 68 percent in 2003, of which 24 percent are very satisfied compared to 5 percent in 2003. During 2009, the Department awarded 492 new contracts for transportation projects, including highway and bridge projects totaling \$1.4 billion. This compares to \$915.2 million and \$1.1 billion in 2008 and 2007, respectively. The construction programs have been possible due to Missouri voters approving Constitutional Amendment 3 in 2004, as well as the American Recovery and Reinvestment Act. The amendment provides additional revenue by directing motor vehicle sales and use taxes that formerly were deposited in the State's General Revenue Fund to transportation. The revenues are used to repay bonds the Department has issued. In addition, during 2009 the Commission issued \$142.7 million in federal reimbursement bonds, compared to \$526.8 million and \$800.0 million in state revenue bonds in 2008 and 2007, respectively, to fund new construction.

During 2009, the Department launched the Safe and Sound Bridge Improvement Program, which will replace or rehabilitate 802 of the State's worst bridges. A design-build contract was awarded for 554 of these bridges. The remaining 248 are being awarded using a modified design-bid-build format. There were 110 projects awarded as of June 30, 2009, and 90 are completed and reopened to traffic.

The President signed into law the American Recovery and Reinvestment Act (ARRA) in February 2009. This \$787.0 billion act is intended to stimulate the economy and provide jobs to the American public. ARRA provided \$48.0 billion for transportation projects, with \$788.0 million allocated to Missouri. As of June 30, 2009, the Department has obligated \$321.0 million of the \$525.0 million allocated for the right of way and construction program, and has awarded 103 projects totaling \$208.5 million. The remaining ARRA funds include allocations of \$151.0 million for multimodal projects, \$19.0 million for transportation enhancements, such as a new welcome center, and \$93.0 million for large urban areas.

The Honorable Jay Nixon, Governor  
Members of the Missouri Legislature  
Members of the Missouri Highways and Transportation Commission  
Citizens of the State of Missouri

### Long-term financial planning

The Department's 2010 budget, with amendment requests, includes approximately \$1.1 billion in bonds. The Commission, taking advantage of historically low interest rates, has approved accelerating bond issuances originally planned for 2011. Projections beyond the 2010 budget do not include any bond issuances.

The 2010 – 2014 STIP, approved by the Commission in July, includes \$1.4 billion for highway and bridge right of way and construction awards in 2010. Beginning in 2011, an average of only \$524.5 million is available each year for right of way and construction. The Department's 2011 appropriations request approved by the Commission reflects decreased total expenditures of \$245.4 million compared to the current 2010 budget.

Recognizing the impact of transportation on Missourians' quality of life, the Department has developed a plan of action – *A Conversation for Moving Missouri Forward*. The initiative identifies transportation options needed to make Missouri roads safer, create jobs, and improve the quality of life in Missouri. MoDOT has taken the first step in identifying the State's most critical transportation needs. Officials are meeting with community leaders and citizens throughout the State to address top priorities and having *A Conversation for Moving Missouri Forward*.

### Other Information

The Department is required to undergo an annual Single Audit in accordance with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." The Department's information will be included in the State of Missouri's Single Audit for the fiscal year ended June 30, 2009.

### Acknowledgements

This CAFR is published to demonstrate our intention to maintain the highest quality standards of public accountability. This report could not have been published without the dedicated efforts of MoDOT employees. The commitment, professionalism, and dedicated efforts of the Controller's Division staff contributed significantly to the timely preparation of the 2009 report.

Respectfully submitted,



Pete Rahn  
Director



Roberta Broeker, CPA  
Chief Financial Officer

## Principal Officials

as of September 30, 2009

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### Commission

David A. Gach	Chairman
Rudolph E. Farber	Vice Chairman
Duane S. Michie	Member
Grace M. Nichols	Member
Lloyd J. Carmichael	Member
Stephen R. Miller	Member
Pam Harlan	Secretary

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### Director's Office

Pete K. Rahn	Director
Kevin Keith	Chief Engineer
Roberta Broeker	Chief Financial Officer

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### System Delivery Team

Dave Nichols	Director of Program Delivery
Dennis Heckman	State Bridge Engineer
Dave Ahlvers	State Construction and Materials Engineer
Kathy Harvey	State Design Engineer
Lester Woods	External Civil Rights Director
Kelly Lucas	Right of Way Director
Machelle Watkins	Transportation Planning Director
Don Hillis	Director of System Management
Leanna Depue	Highway Safety Director
Jim Carney	State Maintenance Engineer
Jan Skouby	Motor Carrier Services Director
Eileen Rackers	State Traffic Engineer
Brian Weiler	Multimodal Operations Director

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### Organizational Support Team

Rich Tiemeyer	Chief Counsel
Bill Rogers	Director of Audits and Investigations
Jay Wunderlich	Governmental Relations Director
Shane Peck	Community Relations Director
Mara Campbell	Organizational Results Director

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### System Facilitation Team

Debbie Rickard	Controller
Rudy Nickens	Equal Opportunity and Diversity Director
Beth Ring	General Services Director
Micki Knudsen	Human Resources Director
Mike Miller	Information Systems Director
Brenda Morris	Resource Management Director
Jeff Padgett	Risk and Benefits Management Director

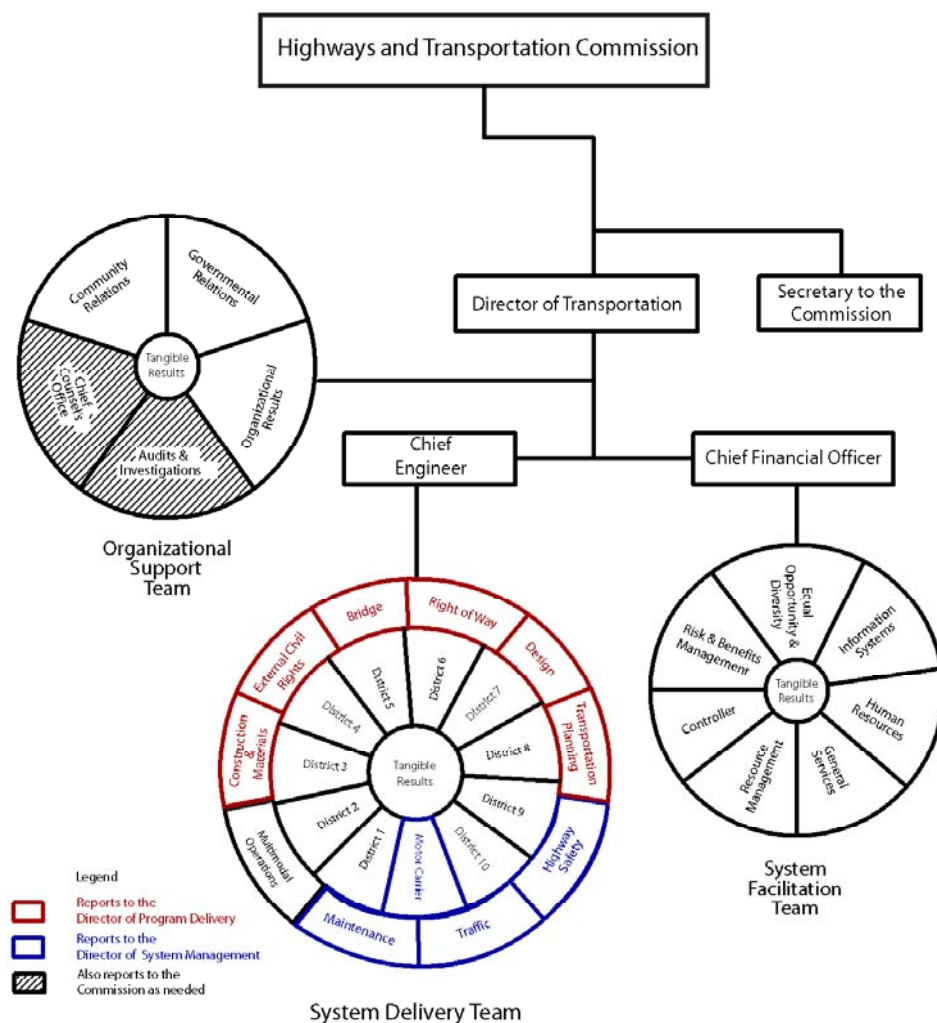
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### Districts

Don Wichern	District 1 Engineer
Dan Niec	District 2 Engineer
Paula Gough	District 3 Engineer
Beth Wright	District 4 Engineer
Roger Schwartz	District 5 Engineer
Ed Hassinger	District 6 Engineer
Rebecca Baltz	District 7 Engineer
Kirk Juranas	District 8 Engineer
Tom Stehn	District 9 Engineer
Mark Shelton	District 10 Engineer

# Organizational Chart

June 30, 2009





# Financial Section

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## Independent Accountants' Report on Financial Statements and Supplementary Information

Missouri Highways and Transportation Commission  
Missouri Department of Transportation  
Jefferson City, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Missouri Department of Transportation (Department) as of and for the years ended June 30, 2009 and 2008, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in *Note 1*, the financial statements of the Missouri Department of Transportation are intended to present the financial position, the changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of the State of Missouri that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Missouri as of June 30, 2009 and 2008, and the changes in its financial position and cash flows, where applicable for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Missouri Department of Transportation as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2009 on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis, budgetary information and schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BKD, LLP

September 24, 2009

# Management's Discussion and Analysis

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## Management's Discussion and Analysis

The following section of our annual financial report presents our discussion and analysis of the Department's (or MoDOT's) financial performance during the year. It is intended to assist you in understanding how the various statements relate to each other and provide an objective and easily readable analysis of the Department's financial activities based on currently known facts, decisions, and conditions. We encourage readers to consider the information presented here in conjunction with the letter of transmittal included in the introductory section and information presented in the Department's financial statements and notes, which follow this section.

### FINANCIAL HIGHLIGHTS

#### ***Government-wide Highlights***

- The net assets of the Department at the close of the fiscal year were \$25.1 billion, compared to \$25.0 billion at 2008. Of this amount, \$0.6 billion represents the amount available for highways and transportation uses, compared to \$1.0 billion in 2008. This represents a 40.0 percent decrease in the amount available for highways and transportation uses from 2008 compared to a 37.4 percent increase in 2008 from 2007.
- The Department's capital assets totaled \$26.9 billion and \$26.4 billion for fiscal year 2009 and 2008, respectively. This represents a 2.1 percent increase compared to a 1.5 percent increase in 2008 from 2007. Capital assets comprise 96.1 percent of the total noncurrent assets at June 30, 2009 and 2008, respectively. The Department's investment in capital assets, net of related debt, is \$24.5 billion compared to \$23.9 billion in 2008.
- Non-current liabilities of the Department total \$2.5 billion at June 30, 2009 and 2008. This compares to an increase of \$513.0 million in non-current liabilities in 2008 from 2007.

#### ***Fund Highlights***

- As of the close of the fiscal year, the Department's *governmental funds* reported combined ending fund balances of \$768.5 million, compared to \$1.1 billion in 2008, a 30.1 percent decrease from the prior fiscal year. This is primarily due to increased capital outlays for construction expenditures and a decrease in bond proceeds.
  - Approximately 81.9 percent of the Department's governmental fund balances, or \$629.4 million, are available for spending at the Department's discretion in accordance with the purpose of the funds, compared to 90.9 percent, or \$1.0 billion, in 2008.
- The remaining fund balances are reserved for specific purposes. The total reserved fund balance is \$139.1 million, as compared to \$122.6 million in 2008.
- The *proprietary funds* reported combined net assets of \$15.2 million at the close of the fiscal year, an increase of \$4.0 million from the previous year's \$11.2 million. This increase is primarily the result of a planned increase in self-insurance premiums charged to the governmental funds. Premiums were decreased in prior years to utilize available balances in the proprietary funds. Restricted investments at the close of both years totaled \$0.3 million, resulting in unrestricted net assets of \$14.9 million and \$10.9 million for fiscal years 2009 and 2008, respectively.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Department's basic financial statements, which includes three components: (1) **government-wide financial statements**, (2) **fund financial statements**, and (3) **notes to the financial statements**. This section also contains required supplementary information and combining financial statements.

### ***Government-wide Financial Statements (Reporting the Department as a Whole)***

The government-wide financial statements are designed to provide readers an overall picture of the Department's financial position. The statements provide both current and noncurrent information about the Department's financial status, which assist the reader in assessing the Department's economic condition at the end of the fiscal year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which are similar to methods followed by most private-sector businesses. These statements take into account all of the current year's revenues and expenses, even if the related cash has not been received or paid. The government-wide financial statements include two statements: the Statements of Net Assets and the Statements of Activities. These statements take a much longer view of the Department's finances than do the fund-level statements.

- The *Statements of Net Assets* combine and consolidate all of the Department's assets and liabilities, except fiduciary funds, with the difference between the two reported as "net assets". This includes current financial resources, capital assets and long-term obligations. Over time, increases or decreases in the net assets indicate whether the Department's financial health is improving or deteriorating, respectively. Fiduciary fund resources are not reported, as they are not available to support Department programs.
- The *Statements of Activities* present information showing how the Department's net assets changed during the fiscal year. The Department reports changes in net assets as soon as the event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported in the statements for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The Department's basic services are reported as governmental activities, including administration, fleet, facilities, and information systems, maintenance, construction, other modal systems, and other activities. Taxes, fees, and federal grants finance most of these activities.

This report includes two schedules that reconcile the amounts reported on the governmental fund financial statements (prepared using the modified accrual basis of accounting and current financial resources measurement focus) with the governmental activities on the appropriate government-wide statements (prepared using the accrual basis of accounting and economic resources measurement focus). The following summarizes the impact of utilizing Governmental Accounting Standards Board Statement 34 (GASB 34) reporting:

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Other long-term assets that are not available to pay for current period expenditures are not reported on governmental fund statements.
- Internal service fund activities are reported as governmental activities on the government-wide statements, but reported separately as proprietary funds in the fund financial statements.
- Bond issuance costs are capitalized and amortized to expense as governmental activities, but reported as expenditures in the governmental fund statements.
- Unless currently due and payable, long-term liabilities, such as capital lease obligations, compensated absences, and others, appear as liabilities only on the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond, note, and capital lease issuances result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.

## ***Fund Financial Statements (Reporting the Department's Major Funds)***

The fund financial statements provide detailed information about the major individual funds. A fund is an accounting entity with a self-balancing set of accounts the Department uses to keep track of specific sources of funding and spending for a particular purpose. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal and contractual requirements. All of the funds of the Department can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note these fund categories use different accounting approaches and should be interpreted differently.

- **Governmental Funds** Most of the basic services provided by the Department are reported in governmental funds. Reporting focuses on how financial resources flow in and out of the funds, and amounts remaining at year-end for future spending. Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. These statements provide a detailed short-term view of the Department's general governmental operations and the basic services it provides. This information should help determine whether there are more or less current financial resources available for the Department's current needs. Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare these statements with the governmental activities information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund Balance Sheets and the governmental fund Statements of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities in the government-wide statements. These reconciliations are presented on the page immediately following the governmental fund financial statements.

The Department reports four major governmental funds, compared to three major governmental funds in 2008. Information is presented separately in the governmental funds balance sheets and the governmental funds statements of revenues, expenditures, and changes in fund balances for the State Highways and Transportation Department Fund (Highway Fund), the State Road Fund (Road Fund), the State Road Bond Fund, and the Federal Stimulus Fund (Stimulus). The Highway, Road, and Stimulus funds are special revenue funds, used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State Road Bond Fund is a debt service fund, which was constitutionally established to receive monies from the state's motor vehicle sales tax and is used to fund the repayment of bonds. Data from other funds are combined into a single, aggregated presentation as nonmajor governmental funds. Examples of the nonmajor funds include statutorily established funds for multimodal activities. Individual fund data for each of these nonmajor governmental funds is provided within combining financial statements following the Notes to the Financial Statements.

- **Proprietary Funds** When the Department charges customers for some of the services it provides, whether to outside customers, other agencies or to units within the Department, these funds are reported in proprietary funds. These funds are used to show activities that operate more like those found in the private sector and utilize full accrual accounting, like the government-wide statements.

The Department has two internal service funds: Missouri Highways and Transportation Commission's (MHTC or Commission) Self-Insurance Plan and the Missouri Department of Transportation and Missouri State Highway Patrol (MSHP) Medical and Life Insurance Plan. Individual data for each of these funds is provided within the combining financial statements following the Notes to the Financial Statements. Internal service fund activities are reported as governmental activities on the government-wide statements with eliminations made to remove the effect of the interfund activity.

- **Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the Department. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Department's activities. These agency funds account for monies held on behalf of various political subdivisions and other interested parties.

## ***Notes to the Financial Statements***

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements, which discuss particular accounts in more detail, can be found immediately following the fiduciary funds Statements of Assets and Liabilities.

## Required Supplementary Information

A section of *Required Supplementary Information* follows the Notes to the Financial Statements. This section includes budgetary comparisons and a separate reconciliation between the fund balances for budgetary purposes and the fund balances as presented for the major special revenue funds in the governmental fund financial statements. The Budgetary Comparison has been provided for the Department's three major special revenue funds to demonstrate compliance with this budget. The legal authority for approval of the Department's budget and amendments for all funds, except the Road Fund, rests with the State Legislature. The authority for the Road Fund rests with the Commission.

Also included is a schedule that reports information about the funding progress of the MoDOT and MSHP Medical and Life Insurance Plan.

## Combining Statements

The *Combining Statements* section presents statements reporting individual and total columns for nonmajor governmental funds, proprietary (internal service) funds, and fiduciary (agency) funds. This information is presented only in summary form in the basic financial statements.

## Budgetary Comparison Schedules and Reconciliations

The *Budgetary Comparison Schedules and Reconciliations* section includes budgetary comparisons and reconciliations between the fund balances for budgetary purposes and the fund balances as presented for the major debt service and nonmajor special revenue funds in the governmental fund financial statements. The legal authority for approval of these budgets and amendments rests with the State Legislature.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statements of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of the Department's financial health. The following tables, graphs, and analyses discuss the financial position and changes in financial position for the Department as a whole as of and for the fiscal years ended June 30, 2009, 2008 and 2007. The Department's combined net assets increased \$130.0 million over the course of this fiscal year's operations, an increase of 0.5 percent. This compares to an increase of \$202.0 million in 2008 from 2007.

The following table, with amounts reported in millions, reflects the condensed financial information derived from the Statements of Net Assets as of June 30, 2009, 2008, and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Percent Change 2009-2008</u>
<b>Assets</b>				
Current and other assets	\$ 1,097	\$ 1,413	\$ 1,073	(22.4)%
Capital assets, net	<u>26,940</u>	<u>26,392</u>	<u>26,001</u>	2.1
<b>Total assets</b>	<u>28,037</u>	<u>27,805</u>	<u>27,074</u>	(0.8)
<b>Liabilities</b>				
Current liabilities	352	342	326	2.9
Noncurrent liabilities	<u>2,548</u>	<u>2,456</u>	<u>1,943</u>	3.7
<b>Total liabilities</b>	<u>2,900</u>	<u>2,798</u>	<u>2,269</u>	3.6
<b>Net Assets</b>				
Investment in capital assets net of related debt	24,458	23,945	24,016	2.1
Restricted (internal service fund requirements, equipment purchase commitments, debt service)	67	60	60	11.7
Restricted (highways and transportation uses)	<u>612</u>	<u>1,002</u>	<u>729</u>	(38.9)
<b>Total net assets</b>	<u>\$25,137</u>	<u>\$25,007</u>	<u>\$24,805</u>	0.5%

## Missouri Department of Transportation Comprehensive Annual Financial Report

The total assets of the Department were \$28.0 billion, while total liabilities were \$2.9 billion, resulting in a net asset balance of \$25.1 billion. By far, the largest portion of the Department's net assets, \$24.5 billion, 97.6 percent, was invested in capital assets (i.e., land, buildings, equipment, infrastructure, and other), less any related debt outstanding that was needed to acquire or construct the assets. The Department uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Department's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

Total assets increased \$232.0 million compared to a \$731.0 million increase in 2008 from 2007. This increase is predominantly in the noncurrent assets being depreciated as a result of the Department's infrastructure construction program. Total liabilities increased \$102.6 million compared to a \$529.0 million increase in 2008 from 2007. The Department issued \$142.7 million of bonds in 2009 to finance the construction program.

### Statements of Activities

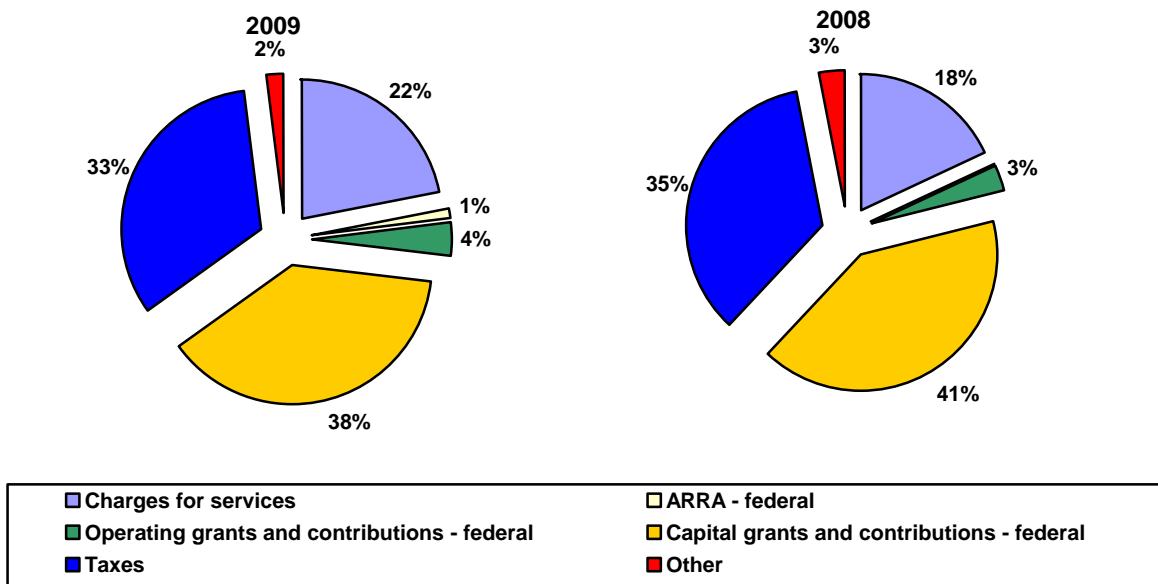
The following condensed financial information was derived from the government-wide Statements of Activities and reflects how the Department's net assets changed during the year, compared to the prior year. The information, for the fiscal years ended June 30, 2009, 2008, and 2007, is reported in millions.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Percent Change 2009-2008</u>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 479	\$ 405	\$ 352	18.0%
American Recovery and Reinvestment Act	28			100.0
Operating grants and contributions – federal government	77	62	79	25.8
Capital grants and contributions – federal government	834	908	797	(8.1)
General revenues				
Taxes	734	787	793	(6.6)
Investment earnings	28	52	49	(46.2)
Miscellaneous	15	16	14	(6.3)
<b>Total revenues</b>	<u>2,195</u>	<u>2,230</u>	<u>2,084</u>	(1.6)
<b>Expenses</b>				
Program expenses				
Administration	35	34	39	2.9
Fleet, facilities and information systems	55	57	55	(3.5)
Maintenance	424	406	379	4.7
Construction	258	241	273	7.1
Multimodal operations	86	74	71	16.2
Interest on debt	107	102	75	3.9
Other state agencies	175	178	170	(1.7)
Self-insurance (workers' compensation and liability)	19	32	8	(40.6)
Medical and life insurance	90	88	102	2.3
Other post-employment benefits	66	70	--	(5.7)
Depreciation on assets	750	746	850	0.5
<b>Total expenses</b>	<u>2,065</u>	<u>2,028</u>	<u>2,022</u>	1.8
<b>Changes in net assets</b>	130	202	62	(35.6)
<b>Net assets, beginning of year</b>	<u>25,007</u>	<u>24,805</u>	<u>24,743</u>	0.8
<b>Net assets, end of year</b>	<u>\$25,137</u>	<u>\$25,007</u>	<u>\$24,805</u>	0.5



## Governmental Activities

The following chart depicts revenues of the governmental activities, as a percent, for the fiscal years ended June 30, 2009 and 2008:



Revenues for the year decreased \$35.0 million as a result of decreases in taxes and federal grants compared to an increase of \$146.0 million in 2008 from 2007. Federal grants decreased \$31.0 million from 2008, even with the influx of \$28.0 million from the American Recovery and Reinvestment Act (ARRA). The following three revenue sources provided \$1.9 billion, 84.8 percent, of the Department's revenues:

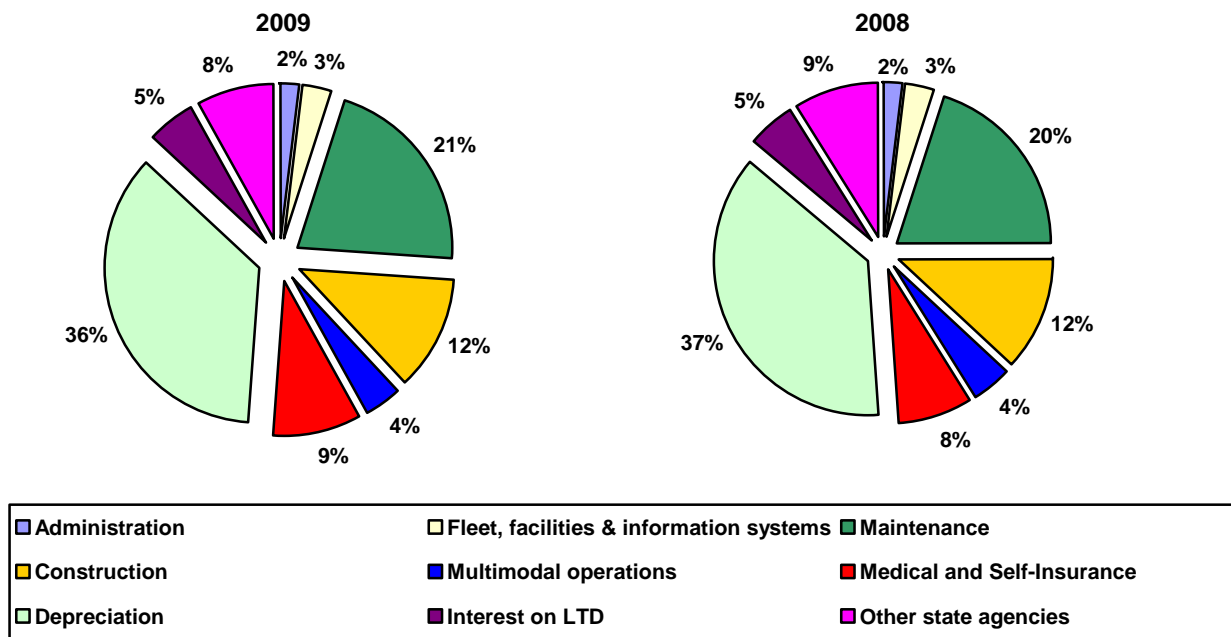
- Vehicle licenses, fees, permits, and related taxes, \$524.0 million
- Fuel taxes, \$500.0 million
- Capital grants, \$834.0 million

In 2008, these same revenue sources provided \$2.0 billion, 89.1 percent, of the Department's revenues.

The persistently weakened housing and credit markets, higher fuel and food prices, and slower employment negatively impacted the vehicle licenses, fees, permits, and related taxes. All of these factors caused consumers to restrain spending in 2009. The fuel taxes also decreased due to restraints on consumer spending. Capital grants decreased from 2008 due to a decrease in the amount received in federal aid during the state's fiscal year.

## Missouri Department of Transportation Comprehensive Annual Financial Report

The following chart depicts expenses of the governmental activities for the fiscal years ended June 30, 2009 and 2008.



Expenses for the year increased 1.8 percent. The most significant increases are the construction program, \$17.0 million, and the maintenance program, \$19.0 million. Bond funds were available for system improvements, both capital and non-capital in nature, increasing construction activities. Maintenance expenditures were impacted by increased costs associated with petroleum-based products and fuel.

The Department's expenses for construction and maintenance of the state's highway system totaled \$683.0 million and \$647.0 million in 2009 and 2008, respectively. This represents 33.1 percent and 31.9 percent, of the total expenses for 2009 and 2008, respectively.

## FUND FINANCIAL ANALYSIS

As previously mentioned, the Department uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of highlights from the fund financial statements. The purpose of the Department's governmental funds financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources.

### Governmental Funds

At the end of the fiscal year, the fund balances of the governmental funds totaled \$768.5 million, a decrease of \$357.9 million from the previous year. This compares to an increase of \$325.7 million in 2008 from 2007. The decrease resulted from a \$44.8 million decrease in revenues, a \$235.8 million increase in expenditures, and a decrease of \$384.1 million in bond proceeds. Maintenance, construction, and capital outlay expenditures, funded by 2008 bond proceeds, account for \$203.9 million of the increased expenditures from 2008. The Department spent approximately \$143.8 million less in 2008 than in 2007 on these same expenditures.

**State Highways and Transportation Department Fund (Highway Fund):** This fund is established by statute to receive revenues derived from the use of state highways. The fund pays the costs incurred to collect revenues received. As shown on the Balance Sheets, the fund ended the fiscal year with assets of \$122.8 million, liabilities of \$11.6 million, and an unreserved fund balance of \$111.3 million. Amendment 3 included not only a change in revenue allocation, but also changed the Department's expenditure funding. As a result of Amendment 3, the Department's expenditures, with the exception of Motor Carrier Services refunds, are paid from the Road Fund. The Constitution requires the balance of funds remaining after other state agency expenditures be transferred to the Road Fund.

As shown on the Statements of Revenues, Expenditures, and Changes in Fund Balances of the governmental funds, the Highway Fund had \$732.0 million in revenues, a decrease of \$26.9 million from 2007. In 2008, revenues were \$40.4 million more than 2007. The 2009 decrease is predominantly the result of reduced taxes and investment earnings as a result of the weakened economy.

*State Road Fund (Road Fund):* The Road Fund was constitutionally established to receive monies from the motor vehicle sales tax, the federal government, and other revenues. This is the primary operating fund of the Department and pays to construct, improve and maintain the state highway system, and to administer the Commission and the Department. The fund ended the year with assets of \$785.5 million; a decrease of \$333.8 million from 2008. This compares to an increase in 2008 of \$336.5 million from 2007. Liabilities totaled \$178.9 million, an increase of \$29.1 million from 2008; and fund balances totaled \$606.6 million, a decrease of \$362.8 million from 2008 compared to an increase of \$335.2 million in 2008 from 2007. Reduced taxes and investment earnings as a result of the weakened economy also directly impacted the Road Fund. Additionally, revenues from the federal government were \$74.2 million less than 2008.

*State Road Bond Fund (Bond Fund):* The Bond Fund was constitutionally established to receive monies from the state's motor vehicle sales tax. Monies are used to fund the repayment of bonds issued by the Commission. The fund was established in fiscal year 2006 as a debt service fund. At the end of this fiscal year, total assets were \$27.1 million, compared to \$24.8 million in 2008. Despite overall decreased collections by the state, the Bond Fund's share of sales tax revenue increased due to the final phase-in of Amendment 3 distributions. Expenditures of the Bond Fund were \$87.4 million in 2009 compared to \$83.0 million in 2008, as revenues were used to repay bonds. As reflected in the budgetary comparison schedules and reconciliation for the non-major funds, this fund was also directly impacted by the weakened economy. As a result of the State's overall reduction in vehicle sales tax revenues, a greater than expected portion of Amendment 3 bond payments were paid from the Road Fund.

*Federal Stimulus Fund (Stimulus Fund):* The Stimulus Fund was administratively created in March 2009 to receive American Recovery and Reinvestment Act monies as reimbursement for specific transportation-related projects. Funds are transferred from the Stimulus Fund to the fund disbursing the transportation-related project expenditures. The 2009 federal receipts totaled \$28.3 million.

### ***Proprietary Funds***

The Department's internal service funds consist of the MHTC Self-Insurance Fund (workers' compensation, fleet liability, and general liability) and the MoDOT and Missouri State Highway Patrol (MSHP) Medical and Life Insurance Plan (medical and life insurance fund). The self-insurance fund receives premiums from the Department for fleet and general liability claims, and from the Department, MSHP, and MoDOT and Patrol Employees' Retirement System (MPERS) for workers' compensation claims. The Department, MSHP, MPERS, and employees of those agencies pay premiums to the medical and life insurance fund.

As shown on the Statements of Net Assets – Proprietary Funds, the total assets increased \$9.5 million in 2009 compared to a decrease of \$4.1 million in 2008. Total current liabilities of the proprietary funds at 2009 were \$40.3 million, an increase of \$4.9 million from 2008. In 2008, total current liabilities of the proprietary funds increased \$2.3 million from 2007. In 2009, both pending self-insurance claims and incurred but not reported claims increased a total of \$3.2 million compared to a \$15.3 million increase in 2008 from 2007.

Total net assets of the internal service funds increased \$4.0 million at the end of the current fiscal year to \$15.2 million compared to a decrease of \$19.4 million in 2008 from 2007. Self-insurance premiums were increased in 2009 to fund the plans based on actuarial calculations. In 2008, a \$15.7 million planned reduction in self-insurance premiums contributed to the reduction in net assets.

The largest operating expenses of the proprietary funds, medical and prescription drug benefits, totaled \$95.7 million compared to \$94.5 million in 2008. This accounts for 74.8 percent of the total operating expenses, compared to 68.0 percent in 2008. This \$1.2 million increase compares to a \$3.0 million increase in 2008 from 2007. The largest fluctuations from fiscal year 2009 were in self-insurance fund expenditures. The Department's fleet vehicle and general liability claims decreased to \$5.4 million in 2009 from \$16.7 million in 2008. The cost in 2007 was \$4.7 million. These claims arise from allegations of injuries or damages caused by the alleged dangerous condition of Department property when the Department has actual or constructive knowledge of the condition. The number of claims has decreased as the Department focuses on promptly mitigating potential dangerous conditions.

## **Fiduciary Funds**

The Department's agency funds are used to account for monies held on behalf of various political subdivisions and other interested parties. These funds act as clearing accounts and thus do not have net assets.

## **SIGNIFICANT EVENTS FOR THE YEAR ENDED JUNE 30, 2009**

On October 1, 2008, the Commission authorized the issuance of up to \$175.0 million in series A 2008 federal reimbursement state road bonds. Proceeds from the issuance of the bonds were used to finance construction and reconstruction costs of the state highway system, primarily the New I-64 design build project. In November 2008, the Department sold \$142.7 million of the authorized bonds. The bonds bear interest payable semiannually, from 3.00 to 5.00 percent and are due in annual installments beginning May 1, 2009. The bonds are callable by the Department, subject to certain provisions. The bonds were issued with ratings of Aa2, AA, and AA- from Moody's Investors Services, Standard and Poor's Ratings Services, and Fitch Inc., respectively. As federal reimbursement state road bonds, the bonds are payable from and secured primarily by a first lien on federal highway reimbursement revenues.

The New I-64 project and the kclCON project were under construction in fiscal year 2009. The revised design-build facet of the Safe and Sound Bridge Improvement Program was awarded in December 2008, with 110 modified design-bid-build projects under construction in fiscal year 2009.

Additional federal revenues became available to all states when the President signed ARRA into law. MoDOT's allocation is \$788.0 million. As of June 30, 2009 the Department has awarded \$208.5 million and spent \$28.3 million on ARRA projects.

In August 2005, the Federal Highway Act entitled Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was passed and signed into law by the President. This act provides federal funding through September 30, 2009. No action has been taken to approve the next authorization act. Current discussions include a possible extension of the existing highway act for 18 months.

The Department, like other entities, has been impacted by increased costs of petroleum products utilized in daily maintenance operations. However, construction project bid amounts and subsequent awards have been at less than programmed amounts. The Department has successfully used a variety of innovations, which focus on getting the most value for each tax dollar, better, faster and cheaper than ever before. Innovations include:

- practical design, governed by three ground rules – safety, communication, and quality, delivers “good” projects everywhere, instead of “perfect” projects somewhere;
- value engineering, a systematic process to review and provide recommendations to improve value while addressing the project's purpose and need;
- alternate bidding of materials on specific projects;
- alternate technical concepts allowing the bidder to propose designs with bid submittal; and
- packaging of bids to increase competition among bidders.

As a result of approaching projects using innovative concepts, 461 Statewide Transportation Improvement Program projects totaling \$1.3 billion were awarded in 2009 at 9.0 percent under budget.

In 2009, the Department implemented Governmental Accounting Standards Board, Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement requires the accrual of known and estimable current and future pollution remediation activities. Additional information is presented in the Financing and Other Obligations note disclosure.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### **Capital Assets** (See Notes to the Financial Statements, Capital Assets, for additional information)

The Department's investment in capital assets for its governmental activities as of June 30, 2009, totals \$48.3 billion, with accumulated depreciation of \$21.4 billion, and a net value of \$26.9 billion. The net value represents an increase of \$549.0 million from fiscal year 2008, compared to an increase of \$391.0 million in 2008 from 2007. Depreciation charges totaled \$750.0 million in fiscal year 2009, compared to \$746.0 million in 2008. These assets, with amounts in millions, are summarized in the table below.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Percent Change 2009-2008</u>
Land	\$ 2,406	\$ 2,359	\$ 2,238	2.0%
Land improvements	7	7	7	---
Buildings	148	137	142	8.0
Equipment	124	123	121	0.8
Vehicles	64	65	72	(1.5)
Infrastructure	21,541	20,864	20,474	3.2
Construction in progress	190	165	213	15.2
Infrastructure in progress	<u>2,461</u>	<u>2,672</u>	<u>2,734</u>	(7.9)
<b>Total</b>	<b><u>\$26,941</u></b>	<b><u>\$26,392</u></b>	<b><u>\$26,001</u></b>	<b>2.1%</b>

As provided by accounting principles generally accepted in the United States of America (GAAP), the Department records its infrastructure assets at actual or estimated historical cost. Included in infrastructure are more than 33,000 miles of highways and 10,000 bridges that the Department is responsible for maintaining.

The Statewide Transportation Improvement Program (STIP) sets the specific construction projects the Department will undertake in the next five years. It covers highways and bridges, transit, aviation, rail, waterways, enhancements, and other projects. The Program, updated annually, is dynamic with adjustments made to project plans during the life of the STIP based on needs and goals of the Department. The Commission approves adjustments during the fiscal year as circumstances require.



**Debt Administration (See Notes to the Financial Statements, Financing and Other Obligations, for additional information)**

The following table, reported in millions, presents a summary of the Department's long-term obligations for governmental activities. Additional information about the Department's long-term obligations is presented in the Notes to the Financial Statements.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Percent Change 2009-2008</u>
State road bonds	\$2,356	\$2,298	\$1,834	2.5%
Premium on bonds and deferred refunding	79	87	68	(9.2)
Advances from other entities and State of Missouri component units	27	33	47	(18.2)
Capital lease obligations	20	28	35	(28.6)
Compensated absences	38	37	35	2.7
Other noncurrent liabilities	6	2	7	200.0
Other post-employment benefits	97	51	---	90.2
<b>Total long-term obligations</b>	<u>2,623</u>	<u>2,536</u>	<u>2,026</u>	3.4
Current portion of long-term obligations	<u>127</u>	<u>131</u>	<u>121</u>	(3.1)
<b>Total noncurrent liabilities</b>	<u>\$2,496</u>	<u>\$2,405</u>	<u>\$1,905</u>	3.8%

The Department's total long-term obligations, excluding pending self-insurance claims, incurred but unreported claims, other post-employment benefits and pollution remediation obligations increased \$41.0 million from 2008, compared to an increase of \$459.0 million in 2008 from 2007. At the end of the current fiscal year, state road bonds total \$2.4 billion, or 92.3 percent, of the total long-term obligations. Revenues collected under Article IV, Section 30(a) and (b) of the Missouri Constitution and revenues collected from federal highway reimbursements secure the bonds. These revenues are state highway users fees, including fuel taxes, sales and use taxes, licenses and fees, and federal highway reimbursements.

The advances from other entities and State of Missouri component units are related to construction projects accelerated to meet the needs of the users. Principal payments are due on various dates through fiscal year 2021.

The Department has entered into various capital lease obligations. The lease-purchase agreements provide a means of financing office and heavy equipment. In addition to equipment lease-purchase agreements, the Department entered into an agreement for an office facility to accommodate the consolidation of motor carrier services in fiscal year 2005. Capital lease payments mature on various dates through fiscal year 2020.

## RECENT EVENTS AND FUTURE BUDGETS

The Department's fiscal year 2010 budget for all funds was approved by the Legislature in May 2009 and signed into law by the Governor in June 2009. The fund level is the legal level of control for the Road Fund, with approval of the Road Fund budget by the Commission. The Commission approved the budget for all funds in June 2009, with a total spending plan of \$2.9 billion. This includes \$379.0 million of ARRA construction disbursements.

The Department has three design-build projects in progress. Design-build projects are another innovative concept utilizing contractors for the design and construction of a project. The projects, the New I-64, the kclCON, and the Safe and Sound Bridge Improvement Program, are in various stages of design and construction.

The New I-64 project, which will reconstruct a 10 mile section of I-64 and a portion of I-170, was awarded in November 2006 with a scheduled construction completion of July 2010. This innovative project involved closing a major highway in St. Louis in two phases. The final phase is scheduled to re-open in December 2009.

The kclCON project was awarded in November 2007 and will improve four miles of interstate highway north of downtown Kansas City, including a landmark Christopher S. Bond Bridge, with a scheduled construction completion of October 2011.

Initially, the Department attempted to address the deteriorating condition of 802 of the state's bridges, identified as the Safe and Sound Bridge Improvement Program, with a single, innovative design-build-finance-maintain approach. A contractor was selected in December 2007 subject to final negotiations. Due to volatile credit markets, this avenue proved to be too expensive. In September 2008, the Department ended the design-build-finance-maintain approach and the Commission approved replacement of 554 of the original 802 bridges using a single design-build contract and rehabilitation of the remaining 248 bridges with a modified design-bid-build approach. The design-build project was awarded in December 2008. Project completion will be no later than October 31, 2014, with multiple bridges under construction throughout the state at all times during the construction period.

In September 2007, the United States Department of Transportation (USDOT) announced the "Corridors of the Future" project. The Interstate 70 corridor through Missouri, Illinois, Indiana, and Ohio has been included among six interstates nationwide. The state will look for innovative ways, such as dedicated truck lanes, to reduce congestion, improve freight delivery, and improve traveler safety. An ARRA Transportation Investments Generating Economic Recovery (TIGER) Discretionary Grant Application to reconstruct approximately 30 miles of Interstate 70 using the dedicated truck lane concept was submitted by the September 15, 2009 submission deadline.

On February 28, 2008 the Department entered into an Agreement with the State of Illinois, through the Illinois Department of Transportation, to design and construct a new 4-lane Mississippi River Bridge and approaches in Illinois and Missouri. The project, identified as the New Mississippi River Bridge, includes the main span, as well as Missouri and Illinois approaches, interchanges in both Missouri and Illinois, and a tri-level in Illinois. The total estimated cost of the project at June 30, 2009 is \$660.0 million, with Missouri and Illinois participating in the main span at 26 percent and 74 percent, respectively. The main span and approaches projects are planned for award in fiscal year 2010. All projects are planned for completion by January of 2014.

While SAFETEA-LU provides federal funding through September 30, 2009, the availability of funds from the Federal Highway Trust Fund for future projects concerns Missouri and other states. There has been little or no action on a replacement bill and discussions indicate a continuing resolution for up to 18 months is anticipated. In July 2009, the Commission approved a new five-year transportation construction program that shows spending for Missouri's roads and bridges will plummet in fiscal year 2011. The Statewide Transportation Improvement Program (STIP) identifies transportation projects planned for fiscal years 2010 through 2014. Approximately \$1.4 billion of highway construction is planned for 2010, largely due to additional funding from Amendment 3 bonds, indirect Grant Anticipation Revenue Vehicle (GARVEE or federal reimbursement) bonds on the design build and MRB projects, and ARRA funding. The program, however, decreases to an average of \$503.3 million beginning in 2011. The Department, recognizing the impact of transportation on the quality of life of citizens of the State, has developed a plan of action – *A Conversation for Moving Missouri Forward*. At a minimum the Department has determined the need to address five top priorities: take care of our roads and bridges; provide other ways to get around; rebuild Interstates 70 and 44; tackle needed major projects identified by our planning partners; and meet regional needs.

## ECONOMIC CONDITIONS

The current economic environment presents government entities, including state transportation departments, with unusual circumstances and challenges. These conditions could adversely affect our results of operations in future periods. The current instability in the economic and financial markets may negatively impact the various sources that fund the tax revenues for the Department and for other government entities, resulting in delays in collection of receivables and availability of future funding; make it difficult for local government entities to obtain financing to fund their road construction projects; and impact the pricing of materials or availability of contractors for future projects. Such changes affecting funding sources could have a significant impact on the operations, including future highway projects, of the Department. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for receivables. The financial statements have been prepared using values and information currently available to the Commission.

## CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Missouri Department of Transportation's interested parties, including citizens, taxpayers, customers, investors, and creditors, with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the Missouri Department of Transportation, Controller's Division, P.O. Box 270, Jefferson City, MO 65102. This report is also included in the Report to the Joint Committee on Transportation Oversight and is available on the Department's web site at [www.modot.mo.gov](http://www.modot.mo.gov) after presentation to the Joint Committee.



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# Government-wide Financial Statements

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# Statements of Net Assets

June 30, 2009 and 2008

	<b>Governmental Activities</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 598,735,695	\$ 963,048,511
Investments	39,982,016	73,785,655
State taxes and fees receivable	133,667,365	131,495,813
Federal government receivable	61,450,787	43,796,302
Miscellaneous receivables, net	57,466,415	32,484,425
Contractual agreement	3,090,920	4,003,916
Loans receivable	464,345	460,744
Inventories	<u>47,693,063</u>	<u>42,442,965</u>
Total current assets	<u>942,550,606</u>	<u>1,291,518,331</u>
Noncurrent assets		
Investments	44,517,319	19,273,884
Restricted cash and investments	85,776,969	74,179,226
State taxes and fees receivable	---	1,823,529
Miscellaneous receivables, net	3,158,049	4,371,316
Loans receivable	2,363,778	1,857,493
Bond issue costs, net	9,261,443	9,351,864
Bond issue costs, swap termination payment	9,555,771	10,510,614
Capital assets		
Assets not being depreciated	5,056,978,823	5,196,460,656
Assets being depreciated, net	<u>21,883,230,864</u>	<u>21,195,548,214</u>
Total noncurrent assets	<u>27,094,843,016</u>	<u>26,513,376,796</u>
<b>Total assets</b>	<b><u>28,037,393,622</u></b>	<b><u>27,804,895,127</u></b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	131,346,147	116,547,837
Accrued payroll	25,000,086	23,883,897
Accrued interest payable	26,763,273	26,939,816
Unearned revenue	13,221,004	16,812,920
Pending self-insurance claims	14,514,000	10,766,244
Incurred but not reported claims	14,811,000	16,040,665
Financing and other obligations	<u>127,042,427</u>	<u>131,242,256</u>
Total current liabilities	<u>352,697,937</u>	<u>342,233,635</u>
Noncurrent liabilities		
Pending self-insurance claims	43,102,443	37,936,196
Incurred but not reported claims	8,349,000	12,828,335
Other post-employment benefit obligations	97,456,294	50,691,490
Financing and other obligations	<u>2,398,990,642</u>	<u>2,354,344,207</u>
Total noncurrent liabilities	<u>2,547,898,379</u>	<u>2,455,800,228</u>
<b>Total liabilities</b>	<b><u>2,900,596,316</u></b>	<b><u>2,798,033,863</u></b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	24,458,154,652	23,945,039,924
Restricted for:		
Internal service fund requirements	300,000	300,000
Debt service	66,581,501	59,634,107
Highways and transportation	<u>611,761,153</u>	<u>1,001,887,233</u>
<b>Total net assets</b>	<b><u>\$25,136,797,306</u></b>	<b><u>\$25,006,861,264</u></b>

# Statements of Activities

Years Ended June 30, 2009 and 2008

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
<b>Transportation Program Expenses</b>		
Administration	\$ 34,833,876	\$ 33,644,727
Fleet, facilities, and information systems	55,168,440	56,720,928
Maintenance	424,326,995	406,373,925
Construction	257,942,576	240,821,393
Multimodal operations	85,998,873	74,128,293
Interest	106,538,352	102,343,625
Other state agencies	174,587,268	178,318,625
Self-insurance	19,210,374	32,103,153
Medical and life insurance	89,773,985	87,709,554
Other post-employment benefits	65,804,295	69,730,981
Depreciation	<u>749,654,352</u>	<u>746,456,470</u>
<b>Total transportation program expenses</b>	<u>2,063,839,386</u>	<u>2,028,351,674</u>
<b>Transportation Program Revenues</b>		
Charges for services		
Licenses, fees, and permits	290,399,414	291,842,826
Intergovernmental/cost reimbursements/miscellaneous	159,933,443	86,663,652
Interest	78,881	55,170
Employee insurance premiums	<u>29,047,218</u>	<u>26,534,016</u>
Total charges for services	479,458,956	405,095,664
Federal government		
American Recovery and Reinvestment Act	28,278,779	---
Operating	76,569,157	62,179,640
Capital	<u>833,838,877</u>	<u>907,955,801</u>
Total federal government	<u>938,686,813</u>	<u>970,135,441</u>
<b>Total transportation program revenues</b>	<u>1,418,145,769</u>	<u>1,375,231,105</u>
<b>Net expense of transportation program</b>	<u>(645,693,617)</u>	<u>(653,120,569)</u>
<b>General Revenues</b>		
Fuel taxes	499,505,811	514,907,684
Sales and use taxes	233,810,373	272,039,067
Unrestricted investment earnings	27,607,331	51,580,915
State appropriations	16,633,764	13,257,327
Gain (loss) on sale of capital assets	<u>(1,927,620)</u>	<u>3,115,323</u>
<b>Total general revenues</b>	<u>775,629,659</u>	<u>854,900,316</u>
<b>Changes in Net Assets</b>	129,936,042	201,779,747
<b>Net Assets, beginning of year</b>	<u>25,006,861,264</u>	<u>24,805,081,517</u>
<b>Net Assets, end of year</b>	<u>\$25,136,797,306</u>	<u>\$25,006,861,264</u>



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# Fund Financial Statements

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# Balance Sheets

## Governmental Funds

June 30, 2009 and 2008

	2009					
	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Federal Stimulus Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 9,987,731	\$527,324,603	\$18,804,447	\$ ---	\$22,689,616	\$578,806,397
State taxes and fees receivable	109,836,125	15,095,944	8,148,922	---	586,374	133,667,365
Federal government receivable	---	41,534,217	---	10,313,064	9,603,506	61,450,787
Miscellaneous receivables, net	3,008,182	54,817,634	96,727	---	492,544	58,415,087
Contractual agreements	---	3,090,920	---	---	---	3,090,920
Loans receivable	---	---	---	---	2,828,123	2,828,123
Due from other funds	---	10,474,881	---	---	1,131,685	11,606,566
Inventories	---	47,693,063	---	---	---	47,693,063
Restricted cash and investments	---	85,476,969	---	---	---	85,476,969
<b>Total assets</b>	<b>\$122,832,038</b>	<b>\$785,508,231</b>	<b>\$27,050,096</b>	<b>\$10,313,064</b>	<b>\$37,331,848</b>	<b>\$983,035,277</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,067,548	\$116,208,832	\$ 29,090	\$ ---	\$10,850,201	\$128,155,671
Accrued payroll	6,160,490	18,733,874	---	---	105,722	25,000,086
Deferred revenue	4,334,217	43,944,923	---	---	1,468,035	49,747,175
Due to other funds	---	---	---	10,313,064	1,293,502	11,606,566
<b>Total liabilities</b>	<b>11,562,255</b>	<b>178,887,629</b>	<b>29,090</b>	<b>10,313,064</b>	<b>13,717,460</b>	<b>214,509,498</b>
<b>Fund balances</b>						
Reserved for:						
Debt service	---	80,000,941	---	---	---	80,000,941
Loans receivable and contractual agreements	---	8,566,948	---	---	2,828,123	11,395,071
Inventories	---	47,693,063	---	---	---	47,693,063
Unreserved, debt service fund	---	---	27,021,006	---	---	27,021,006
Unreserved, special revenue funds	111,269,783	470,359,650	---	---	20,786,265	602,415,698
<b>Total fund balances</b>	<b>111,269,783</b>	<b>606,620,602</b>	<b>27,021,006</b>	<b>---</b>	<b>23,614,388</b>	<b>768,525,779</b>
<b>Total liabilities and fund balances</b>	<b>\$122,832,038</b>	<b>\$785,508,231</b>	<b>\$27,050,096</b>	<b>\$10,313,064</b>	<b>\$37,331,848</b>	<b>\$983,035,277</b>

2008

State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,645,976	\$ 912,894,240	\$14,409,344	\$27,002,267	\$ 960,951,827
107,660,143	14,368,511	10,293,434	997,254	133,319,342
---	37,631,133	---	6,165,169	43,796,302
1,385,781	33,219,119	120,222	147,022	34,872,144
---	4,003,916	---	---	4,003,916
---	---	---	2,318,237	2,318,237
---	833,068	---	---	833,068
---	42,442,965	---	---	42,442,965
---	73,879,226	---	---	73,879,226
<u>\$115,691,900</u>	<u>\$1,119,272,178</u>	<u>\$24,823,000</u>	<u>\$36,629,949</u>	<u>\$1,296,417,027</u>
\$ 2,259,366	\$ 106,856,798	\$ 17,829	\$ 5,992,630	\$ 115,126,623
5,995,707	17,786,808	---	101,382	23,883,897
3,889,907	25,202,468	---	1,080,439	30,172,814
---	---	---	833,068	833,068
<u>12,144,980</u>	<u>149,846,074</u>	<u>17,829</u>	<u>8,007,519</u>	<u>170,016,402</u>
---	73,879,226	---	---	73,879,226
---	4,003,916	---	2,318,237	6,322,153
---	42,442,965	---	---	42,442,965
---	---	24,805,171	---	24,805,171
<u>103,546,920</u>	<u>849,099,997</u>	<u>---</u>	<u>26,304,193</u>	<u>978,951,110</u>
<u>103,546,920</u>	<u>969,426,104</u>	<u>24,805,171</u>	<u>28,622,430</u>	<u>1,126,400,625</u>
<u>\$115,691,900</u>	<u>\$1,119,272,178</u>	<u>\$24,823,000</u>	<u>\$36,629,949</u>	<u>\$1,296,417,027</u>



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# Reconciliation of the Governmental Funds Balance Sheets to the Statements of Net Assets

## Governmental Funds

June 30, 2009 and 2008

	<b>Total</b>	
	<b>2009</b>	<b>2008</b>
<b>Fund balances – total governmental funds</b>	\$ 768,525,779	\$ 1,126,400,625
Amounts reported for governmental activities in the statements of net assets are different because:		
Capital assets, net of accumulated depreciation of \$749,654,352 and \$746,456,470 in 2009 and 2008, respectively, used in governmental activities are not financial resources and therefore are not reported in the funds.	26,940,209,687	26,392,008,870
Deferred assets are not available to pay for current period expenditures and therefore are not reported in the funds.	44,278,870	20,567,204
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included only in the statements of net assets.		
Medical and life insurance plan	15,724,188	10,727,438
Self-insurance plan	(505,796)	512,418
Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Financing and other obligations	(2,526,033,069)	(2,485,586,463)
Other post-employment benefits obligation	(97,456,294)	(50,691,490)
Accrued interest payable	(26,763,273)	(26,939,816)
Bond issue costs	<u>18,817,214</u>	<u>19,862,478</u>
<b>Total net assets – governmental activities</b>	<b><u>\$25,136,797,306</u></b>	<b><u>\$25,006,861,264</u></b>

# Statements of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

Years Ended June 30, 2009 and 2008

	2009					
	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Federal Stimulus Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Fuel taxes	\$ 499,207,302	\$ 104,383	\$ ---	\$ ---	\$ 194,126	\$ 499,505,811
Sales and use taxes	42,343,291	96,682,301	88,868,734	---	6,704,325	234,598,651
Licenses, fees, and permits	187,052,053	101,237,776	---	---	2,635,105	290,924,934
Intergovernmental/cost reimbursements/miscellaneous	2,113,944	134,530,245	---	---	2,460,336	139,104,525
Investment earnings	1,288,609	20,869,492	783,883	237	474,553	23,416,774
American Recovery and Reinvestment Act	---	---	---	28,278,779	---	28,278,779
State government	---	---	---	---	16,633,764	16,633,764
Federal government	---	833,838,877	---	---	75,795,258	909,634,135
<b>Total revenues</b>	<u>732,005,199</u>	<u>1,187,263,074</u>	<u>89,652,617</u>	<u>28,279,016</u>	<u>104,897,467</u>	<u>2,142,097,373</u>
<b>Expenditures</b>						
Current						
Administration	---	49,223,636	---	---	---	49,223,636
Fleet, facilities, and information systems	---	57,690,756	---	---	---	57,690,756
Maintenance	---	440,982,158	---	---	25,161,126	466,143,284
Construction	---	273,098,680	---	---	---	273,098,680
Multimodal operations	---	794,564	---	---	85,407,410	86,201,974
Capital outlay	---	1,306,192,873	---	---	420,146	1,306,613,019
Debt service	---	131,153,730	87,436,782	---	---	218,590,512
Other state agencies	197,172,197	---	---	---	75,360	197,247,557
<b>Total expenditures</b>	<u>197,172,197</u>	<u>2,259,136,397</u>	<u>87,436,782</u>	<u>---</u>	<u>111,064,042</u>	<u>2,654,809,418</u>
<b>Excess of revenues over (under) expenditures</b>	<u>534,833,002</u>	<u>(1,071,873,323)</u>	<u>2,215,835</u>	<u>28,279,016</u>	<u>(6,166,575)</u>	<u>(512,712,045)</u>
<b>Other Financing Sources (Uses)</b>						
Notes issued	---	1,856,026	---	---	---	1,856,026
Bonds issued	---	142,735,000	---	---	---	142,735,000
Bond interest rate swap	---	---	---	---	---	---
Premium on bonds	---	2,834,554	---	---	---	2,834,554
Discount on bonds	---	---	---	---	---	---
Capital leases issued	---	581,389	---	---	---	581,389
Refinancing capital leases issued	---	---	---	---	---	---
Capital lease termination payment	---	---	---	---	---	---
Capital asset sales	---	6,803,382	---	---	26,848	6,830,230
Transfers in	---	554,257,470	---	---	1,131,685	555,389,155
Transfers out	(527,110,139)	---	---	(28,279,016)	---	(555,389,155)
<b>Total other financing sources (uses)</b>	<u>(527,110,139)</u>	<u>709,067,821</u>	<u>---</u>	<u>(28,279,016)</u>	<u>1,158,533</u>	<u>154,837,199</u>
<b>Net Changes in Fund Balances</b>	7,722,863	(362,805,502)	2,215,835	---	(5,008,042)	(357,874,846)
<b>Fund Balances, beginning of year</b>	<u>103,546,920</u>	<u>969,426,104</u>	<u>24,805,171</u>	<u>---</u>	<u>28,622,430</u>	<u>1,126,400,625</u>
<b>Fund Balances, end of year</b>	<u>\$ 111,269,783</u>	<u>\$ 606,620,602</u>	<u>\$ 27,021,006</u>	<u>\$ ---</u>	<u>\$ 23,614,388</u>	<u>\$ 768,525,779</u>

The notes to the financial statements are an integral part of these statements

2008

State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 514,476,995	\$ 115,290	\$ ---	\$ 315,399	\$ 514,907,684
51,739,035	121,086,751	86,460,258	11,052,984	270,339,028
188,241,382	100,090,378	---	2,377,706	290,709,466
1,169,913	78,700,549	---	797,652	80,668,114
3,248,310	41,571,208	1,275,813	794,307	46,889,638
---	---	---	---	---
---	---	---	13,257,327	13,257,327
---	907,955,801	---	62,179,640	970,135,441
<u>758,875,635</u>	<u>1,249,519,977</u>	<u>87,736,071</u>	<u>90,775,015</u>	<u>2,186,906,698</u>
---	46,822,090	---	---	46,822,090
---	58,933,437	---	---	58,933,437
---	417,438,206	---	16,214,286	433,652,492
---	264,693,165	---	---	264,693,165
---	668,518	---	73,634,440	74,302,958
---	1,143,493,776	---	2,609	1,143,496,385
---	114,852,016	82,974,747	---	197,826,763
199,145,107	---	---	91,426	199,236,533
<u>199,145,107</u>	<u>2,046,901,208</u>	<u>82,974,747</u>	<u>89,942,761</u>	<u>2,418,963,823</u>
<u>559,730,528</u>	<u>(797,381,231)</u>	<u>4,761,324</u>	<u>832,254</u>	<u>(232,057,125)</u>
---	4,538,796	---	---	4,538,796
---	526,800,000	---	---	526,800,000
---	(11,118,000)	---	---	(11,118,000)
---	27,808,178	---	---	27,808,178
---	(169,538)	---	---	(169,538)
---	762,775	---	---	762,775
---	22,984,806	---	---	22,984,806
---	(22,559,059)	---	---	(22,559,059)
---	8,680,990	---	23,683	8,704,673
---	574,863,959	---	---	574,863,959
<u>(574,863,959)</u>	---	---	---	<u>(574,863,959)</u>
<u>(574,863,959)</u>	<u>1,132,592,907</u>	---	<u>23,683</u>	<u>557,752,631</u>
(15,133,431)	335,211,676	4,761,324	855,937	325,695,506
<u>118,680,351</u>	<u>634,214,428</u>	<u>20,043,847</u>	<u>27,766,493</u>	<u>800,705,119</u>
<u>\$ 103,546,920</u>	<u>\$ 969,426,104</u>	<u>\$24,805,171</u>	<u>\$28,622,430</u>	<u>\$1,126,400,625</u>





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# Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Statements of Activities

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Net changes in fund balances – total governmental funds</b>	\$ (357,874,846)	\$325,695,506
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statements of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. These are the amounts by which capital outlays and donated assets (\$1,306,613,019 and \$1,143,496,385 for 2009 and 2008, respectively) exceeded depreciation (\$749,654,352 and \$746,456,470 for 2009 and 2008, respectively).	556,958,667	397,039,915
In the statements of activities, only the gains on the sale of the capital assets are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the changes in net assets differ from the changes in fund balances by the book value of the assets sold.	(8,757,850)	(5,589,350)
Deferred revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	23,711,666	4,604,071
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statements of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statements of net assets. These are the net effects of the differences in the treatment of long-term debt obligations and related items.	(44,884,328)	(460,951,496)
Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(1,056,340)	(1,998,649)
Interest expense recognition	8,929,519	7,388,977
Claims and judgments	(4,150,521)	5,696,404
Other post-employment benefits	(46,764,804)	(50,691,490)
Pollution remediation obligations	(153,657)	---
Internal service funds are used by management for the medical and life insurance plan and the self-insurance plan. The net revenues of internal service funds are reported with governmental activities.		
Medical and life insurance plan	4,996,750	(2,907,261)
Self-insurance plan	<u>(1,018,214)</u>	<u>(16,506,880)</u>
<b>Changes in net assets – governmental activities</b>	<u>\$ 129,936,042</u>	<u>\$ 201,779,747</u>

# Statements of Net Assets

## Proprietary Funds

June 30, 2009 and 2008

	<b>Internal Service Funds</b>	
	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 19,929,298	\$ 2,096,684
Investments	39,982,016	73,785,655
Miscellaneous receivables	<u>2,209,377</u>	<u>1,983,597</u>
Total current assets	<u>62,120,691</u>	<u>77,865,936</u>
Noncurrent assets		
Investments	44,517,319	19,273,884
Restricted investments	<u>300,000</u>	<u>300,000</u>
Total noncurrent assets	<u>44,817,319</u>	<u>19,573,884</u>
<b>Total assets</b>	<u>106,938,010</u>	<u>97,439,820</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	3,190,476	1,421,214
Deferred revenue	7,752,699	7,207,310
Pending self-insurance claims	14,514,000	10,766,244
Incurred but not reported claims	<u>14,811,000</u>	<u>16,040,665</u>
Total current liabilities	<u>40,268,175</u>	<u>35,435,433</u>
Noncurrent liabilities		
Pending self-insurance claims	43,102,443	37,936,196
Incurred but not reported claims	<u>8,349,000</u>	<u>12,828,335</u>
Total noncurrent liabilities	<u>51,451,443</u>	<u>50,764,531</u>
<b>Total liabilities</b>	<u>91,719,618</u>	<u>86,199,964</u>
<b>Net Assets</b>		
Restricted net assets	300,000	300,000
Unrestricted net assets	<u>14,918,392</u>	<u>10,939,856</u>
<b>Total net assets</b>	<u>\$ 15,218,392</u>	<u>\$11,239,856</u>

# Statements of Revenues, Expenses and Changes in Net Assets

## Proprietary Funds

Years Ended June 30, 2009 and 2008

	<b>Internal Service Funds</b>	
	<b>2009</b>	<b>2008</b>
<b>Operating Revenues</b>		
Self-insurance premiums		
Highway workers' compensation	\$ 5,000,000	\$ 1,742,267
Highway patrol workers' compensation	3,000,000	3,000,000
Highway fleet vehicle liability	---	---
Highway general liability	6,700,000	6,699,996
Medical insurance premiums		
State	77,527,565	71,095,933
Member	29,047,218	26,534,016
Other	6,458,165	5,619,398
<b>Total operating revenues</b>	<b><u>127,732,948</u></b>	<b><u>114,691,610</u></b>
<b>Operating Expenses</b>		
Self-insurance programs		
Highway workers' compensation	8,324,511	9,298,019
Highway patrol workers' compensation	4,721,599	5,385,067
Highway fleet vehicle liability	1,396,991	2,023,887
Highway general liability	4,018,529	14,741,382
Other	748,744	654,798
Medical and life insurance program		
Insurance premiums	6,351,102	6,672,934
Medical benefits	77,763,567	76,571,749
Prescription drug benefits	17,873,985	17,873,541
Professional fees	1,634,455	1,505,035
Administrative services	5,176,172	4,079,004
Other	14,195	46,782
<b>Total operating expenses</b>	<b><u>128,023,850</u></b>	<b><u>138,852,198</u></b>
<b>Operating income (loss)</b>	<b><u>(290,902)</u></b>	<b><u>(24,160,588)</u></b>
<b>Nonoperating Revenues</b>		
Net appreciation and investment income	4,269,438	4,746,447
<b>Total nonoperating revenues</b>	<b><u>4,269,438</u></b>	<b><u>4,746,447</u></b>
<b>Changes in Net Assets</b>	<b>3,978,536</b>	<b>(19,414,141)</b>
<b>Net Assets, beginning of year</b>	<b><u>11,239,856</u></b>	<b><u>30,653,997</u></b>
<b>Net Assets, end of year</b>	<b><u>\$ 15,218,392</u></b>	<b><u>\$ 11,239,856</u></b>

# Statements of Cash Flows

## Proprietary Funds

Years Ended June 30, 2009 and 2008

	<u>Internal Service Funds</u>	
	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from interfund services provided	\$ 127,268,824	\$ 115,034,686
Payments for interfund services used	(116,699,892)	(116,585,513)
Payments to suppliers	(5,804,304)	(6,812,945)
Net cash provided by (used in) operating activities	<u>4,764,628</u>	<u>(8,363,772)</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale and maturities of investments	140,142,352	291,084,764
Purchase of investments	(130,752,242)	(288,656,100)
Interest received	3,773,921	4,224,437
Investment fees	(96,045)	(98,895)
Net cash provided by (used in) investing activities	<u>13,067,986</u>	<u>6,554,206</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	17,832,614	(1,809,566)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,096,684</u>	<u>3,906,250</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 19,929,298</u>	<u>\$ 2,096,684</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating income (loss)	\$ (290,902)	\$ (24,160,588)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Receivables	(464,124)	343,076
Prepaid expenses	---	116,999
Accounts payable	4,974,265	14,612,563
Deferred revenue	545,389	724,178
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 4,764,628</u>	<u>\$ (8,363,772)</u>
<b>Noncash Items Impacting Recorded Assets</b>		
Increase in fair value of investments	<u>\$ 829,906</u>	<u>\$ 906,376</u>

# Statements of Assets and Liabilities

## Fiduciary Funds

June 30, 2009 and 2008

	<u>Agency Funds</u>	
	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash and cash equivalents	\$29,073,677	\$ 9,163,883
Noncurrent restricted investments	42,788,621	42,313,215
Other	<u>196,333</u>	<u>438,348</u>
<b>Total assets</b>	<u>\$72,058,631</u>	<u>\$51,915,446</u>
<b>Liabilities</b>		
Due to other governments	\$ 4,526,520	\$ 7,232,688
Advances from other governments	<u>67,532,111</u>	<u>44,682,758</u>
<b>Total liabilities</b>	<u>\$72,058,631</u>	<u>\$51,915,446</u>



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# Notes to the Financial Statements

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## Note 1: Summary of Significant Accounting Policies

The State Highway Department was created in 1913 to act as the agent of the State of Missouri (the State) for public roads. The State Highway Commission was created in 1921 with the passage of the Centennial Road Law and was charged with the administration of the network of connecting state highways, including their location, design, construction, and maintenance.

In 1979, the voters of the State passed a constitutional amendment merging the State Highway Department with the Department of Transportation. By statute, the resulting department was named the Missouri Highways and Transportation Department. The constitutional amendment gave the Highways and Transportation Commission (the MHTC or Commission) the authority over all state transportation programs and facilities. The Commission is a bipartisan body of six members appointed by the Governor, with the consent of the Senate, for a term of six years. In 1996, by legislative action, the Missouri Highways and Transportation Department became the Missouri Department of Transportation (MoDOT or Department).

In 2002, several functions from other state agencies were combined with MoDOT. This was the result of legislative action and the Governor's Executive Order, which created the "One-Stop Shop" for motor carrier services (MCS), railroad operators, and overdimension and overweight permitting. In 2003, by Governor's Executive Order, the Division of Highway Safety was transferred from the Department of Public Safety to MoDOT. This change was part of the Governor's Reorganization Plan of 2003, to merge both the Division of Highway Safety and MoDOT activities related to the state highway system and its safe operation. In 2006, the unit that audits motor carrier operators was transferred to MoDOT from the Department of Revenue. This unit is responsible for auditing International Fuel Tax Agreement tax returns and International Registration Plan applications.

### (A) Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, establishes the criteria to be used for defining primary governments, component units, and related organizations. The Department does not meet the GASB's criteria to be reported as its own primary government or other stand-alone government. It is part of the primary government of the State and, like other state agencies, is included in the financial statements of the State. These financial statements report the funds from which MoDOT spends, with only MoDOT appropriations reported for the Missouri General Fund.

Certain legally separate organizations are involved in transportation-related projects, such as the Missouri Transportation Finance Corporation (MTFC) and other transportation corporations. Although these organizations cooperate with the Department to meet their objectives and are included in the financial statements of the State as blended or discretely presented component units, they are not part of the Department's defined reporting entity.

The State's Comprehensive Annual Financial Report may be obtained by writing to the State of Missouri, Office of Administration, Division of Accounting, P. O. Box 809, Jefferson City, MO 65102, or may be accessed at [www.oa.mo.gov/acct/](http://www.oa.mo.gov/acct/).

### (B) Government-wide and Fund Financial Statements

#### 1. Government-wide Statements

The government-wide statements of net assets and statements of activities report the overall financial activities of the Department, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The financial activities of the Department consist only of governmental activities, which are primarily supported by State taxes and intergovernmental revenues.

The Department administers a single program – Transportation. The statements of activities demonstrate the degree to which the direct expenses of that function are offset by program revenues. Direct expenses are those that are clearly identifiable with the function. Program revenues include (a) charges paid by the recipients of goods or services offered by the program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of the program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## 2. Fund Financial Statements

The fund financial statements provide information about the Department's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Department reports the following major governmental funds:

**State Highways and Transportation Department Fund (Highway Fund)** – This special revenue fund was established by Section 226.200, Revised Statutes of Missouri (RSMo). This fund receives revenues derived from the use of state highways. This fund pays the costs incurred to collect that revenue, to administer and enforce any state motor vehicle laws or traffic regulations, and to provide other related functions.

**State Road Fund (Road Fund)** – This special revenue fund was constitutionally established to receive monies from the state's motor vehicle sales tax, the federal government, transfers from the Highway Fund, and other related revenues. Disbursements consist of costs incurred to construct, improve, maintain, and administer the state highway system and for debt service payments.

**State Road Bond Fund** – This debt service fund was constitutionally established to receive monies from the state's motor vehicle sales tax. Monies are used for the repayment of bonds issued by the Commission to fund the construction and reconstruction of the state highway system or for refunding bonds.

**Federal Stimulus Fund** – This special revenue fund was administratively created in March 2009 to receive American Recovery and Reinvestment Act monies as reimbursement for specific transportation-related projects.

The Department reports the following additional fund types:

**Internal Service Funds** – These proprietary funds account for the financing of services provided to other funds within the Department and other participating agencies on a cost-reimbursement basis. These funds are used to account for medical and life insurance coverage and self-insurance activities. Department activity comprises the majority of these funds. These funds are included in the government-wide statements by eliminating off-setting revenues and expenses.

**Agency Funds** – These fiduciary funds account for monies held on behalf of various political subdivisions and other interested parties and will be used to reimburse the Department for expenditures incurred by the Department on behalf of the previously mentioned parties and to collect and administer registration, license fees, and fuel taxes payable to contiguous states and Canadian provinces. These funds are not included in the government-wide statements, because they are held on behalf of various political subdivisions and other interested parties and they are not available for Department use.

## (C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

### 1. Government-wide Financial Statements

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange include fuel taxes, sales and use taxes, Medicare Part D federal subsidy, grants, entitlements, and donations. On an accrual basis, revenues from fuel taxes and sales and use taxes are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenues from Medicare Part D, based on the current funding level from the federal government, are recognized in the fiscal year in which the revenue-generating transaction occurs. Because potential retroactive adjustments to the federal subsidy are not measurable, the revenue impact is recognized in the fiscal period in which an adjustment is made by the federal government. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

## **2. Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, all revenue sources are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department, consistent with the State of Missouri, considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are recorded as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The Department's operating revenues and expenses generally result from providing services in connection with the internal service funds' principal ongoing operations. The principal operating revenues are charges for insurance premiums. Operating expenses include self-insurance claims, benefits claims, insurance premiums, and administrative expenses. Investment income is reported as nonoperating revenue.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, then unrestricted resources as they are needed.

### **(D) Assets, Liabilities, and Net Assets**

#### **1. Cash and Cash Equivalents and Investments**

Cash and cash equivalents include cash and repurchase agreements, which are investments with original maturities of three months or less. Investments are valued at fair value.

#### **2. Inventories**

Inventories, primarily consisting of maintenance and sign shop materials, are valued at cost using the weighted average method. Inventories are recorded in the governmental funds as expenditures when consumed rather than when purchased.

#### **3. Interfund Transactions**

The Department has the following types of interfund transactions between Department funds and funds of other State agencies:

**Interfund services provided and used** – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and as expenditures or expenses in purchaser funds. Internal activity is included in the government-wide statements by eliminating off-setting revenues and expenses.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

#### **4. Capital Assets**

Capital assets, such as land, buildings, equipment, and infrastructure assets, are reported at cost (or estimated historical cost) as governmental activities in the government-wide financial statements. Infrastructure assets are those assets that are normally immovable and of value to the citizens of the State of Missouri, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items. The Department capitalizes assets with an expected useful life of more than one year with a cost greater than \$1,000 for equipment and \$15,000 for buildings and land improvements. No dollar threshold is set for land and infrastructure. Donated capital assets are recorded at their fair market value at the date of the donation.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense, including amortization of leased capital assets, is recorded in the government-wide financial statements.

Capital assets, including infrastructure, are depreciated or amortized on the straight-line method over the asset's estimated useful life. There is no depreciation recorded for land, permanent easements, construction in progress, and infrastructure in progress. Generally, estimated useful lives are as follows:

Vehicles, machinery and equipment	1 to 20 years
Buildings and other improvements	10 to 50 years
Infrastructure	7 to 50 years

## **5. Deferred Revenue**

The Department has recorded deferred revenue in the Road Fund and Highway Fund relating to long-term cost reimbursement receivables and in nonmajor funds relating to local matches for pass-through funds. Deferred revenue in the internal service funds is employee medical insurance premiums received and held for the subsequent month's coverage. These amounts are reported as deferred because they are unearned as of year-end.

## **6. Compensated Absences**

Under the terms of the Department's personnel policy, Department employees are granted 10 to 14 hours of annual leave per month. Additionally, certain employees can accrue a maximum of 240 hours of compensatory time for unpaid overtime. Employees have accrued annual leave and compensatory time available amounting to \$37,898,074 and \$36,841,734 as of June 30, 2009 and 2008, respectively, that is recorded in the government-wide financial statements. Because employees are not paid for accumulated sick leave upon retirement or termination, no liability has been recorded for accumulated sick leave.

## **7. Bond Premiums, Discounts, and Issuance Costs**

In the government-wide financial statements, bond premiums and discounts, including the deferred amount on refunding as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **8. Pollution Remediation Obligations**

MoDOT estimates the components of expected pollution remediation activities and determines whether expected outlays for those components should be accrued as a liability and expensed or, if appropriate, capitalized. Pollution remediation obligations are measured at the current cost of future activities and are valued using the expected cash flow method, which measures the liability based on probability-weighted amounts. The determined liabilities could change over time due to changes in costs of goods and services, changes in remediation technology or changes in laws and regulations governing the remediation efforts.

## **9. Reservations of Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balances to indicate that a portion of the fund balance is not available for appropriations or is restricted by law or contract for a specific purpose.

## **10. Net Assets**

In the government-wide and proprietary fund financial statements, equity is displayed as follows:

**Invested in Capital Assets, Net of Related Debt** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted** – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. This also includes unexpended bond or lease proceeds less the related outstanding liability. Total restricted net assets at June 30, 2009 and June 30, 2008, \$678,642,654 and \$1,061,821,340, respectively, were restricted by enabling legislation.

## 11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses or expenditures and other changes in net assets or fund balances during the reporting period. Actual results could differ from those estimates.

## 12. Reclassifications

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 financial statement presentation. This had no effect on net assets.

### Note 2: Deposits and Investments

Cash and investments include amounts held by the State Treasurer's Office as required by the state constitution for all state funds of the primary government. Interest income earned on cash and investments in the State Treasury is allocated to the funds based on the respective investment and cash balances. In addition, cash and investments also include funds held in depository banks, as allowed by state statute.

By policy, investments may include time deposits, linked deposits, certificates of deposit, commercial paper, bankers' acceptances, repurchase agreements and reverse repurchase agreements, U.S. Treasury obligations, and federal agency securities. The Department's investments are reported at fair value. While the majority of the Department's investments are pooled in the State Treasury or with the Department of Revenue, a portion is held at banks outside those state agencies. At June 30, 2009 and 2008, the Department's portfolio of non-pooled funds had \$133,822,474 and \$135,563,506, respectively, of uninsured, unregistered investments held in the Commission's or State's name. Also at June 30, 2009 and 2008, the Department had book balances of \$44,474,493 and \$2,876,789, respectively, of repurchase agreements. Of the total repurchase agreements' bank balances of \$45,759,134 and \$5,389,002 at June 30, 2009 and 2008, respectively, securities were held by a financial institution's trust department in the Commission's or State's name, except that at June 30, 2008, \$2,631,987 was not collateralized.

**Interest Rate Risk** – The State Treasurer's Office policy states it will minimize the risk the market value of investments will fall due to changes in general interest rates by maintaining an effective duration of less than 1.5 years and holding at least 40 percent of the portfolio's total market value in securities with a maturity of 12 months or less. MoDOT's policy for the investment portfolios of non-pooled funds states they are to be structured so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Of the total non-pooled investments, \$133,607,306 is highly sensitive to interest rate changes, because the investments are callable or subject to prepayment. The effective maturities are disclosed based on assumptions provided by the Department's investment advisor.

**Credit Risk** – The State Treasurer's Office policy states it will minimize the risk of loss due to the failure of a security issuer or backer by pre-approving financial institutions, companies, brokers, and dealers, and conducting regular credit monitoring and due diligence. MoDOT's policy for the investment portfolios of non-pooled funds states they are to be limited to the safest types of securities, as described above. The policies for both portfolios require diversification so potential losses on individual securities will be minimized.

**Concentration of Credit Risk** – The policies of both the State Treasurer's Office and MoDOT state investments are to be diversified and limits are set to minimize the risk of loss resulting from excess concentration in a specific maturity, issuer or class of security. The asset allocation is periodically reviewed by the State Treasurer and the Department's investment advisor. At June 30, 2009 and 2008, no investments in any one organization (other than those issued or sponsored by the U.S. Government and those in pooled investments) represented five percent of total investments.



At June 30, 2009, the Department's cash and investments consisted of the following:

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Funds	Internal Service Funds	Agency Funds
Cash and investments:						
Cash and investments pooled in the State						
Treasury	\$9,987,731	\$527,324,603	\$18,804,447	\$22,689,616	\$ ---	\$ ---
Cash deposited with banks	---	---	---	---	2,445	---
U.S. agency obligations	---	---	---	---	84,484,167	---
U.S. Treasury obligations	---	---	---	---	15,168	---
Certificate of deposit	---	---	---	---	---	---
Repurchase agreements	---	---	---	---	19,926,853	---
	<u>\$9,987,731</u>	<u>\$527,324,603</u>	<u>\$18,804,447</u>	<u>\$22,689,616</u>	<u>\$104,428,633</u>	<u>\$ ---</u>
Restricted assets:						
Cash and investments pooled in the State						
Treasury	\$ ---	\$ 73,665,583	\$ ---	\$ ---	\$ ---	\$ ---
Cash and investments pooled with the Mo. Dept. of Revenue	---	---	---	---	---	4,525,832
Cash deposited with banks	---	5,476,868	---	---	---	205
U.S. agency obligations	---	6,334,518	---	---	---	42,788,621
U.S. Treasury obligations	---	---	---	---	200,000	---
Certificate of deposit	---	---	---	---	100,000	---
Repurchase agreements	---	---	---	---	---	24,547,640
	<u>\$ ---</u>	<u>\$ 85,476,969</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 300,000</u>	<u>\$ 71,862,298</u>

At June 30, 2008, the Department's cash and investments consisted of the following:

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Funds	Internal Service Funds	Agency Funds
Cash and investments:						
Cash and investments pooled in the State						
Treasury	\$6,645,976	\$912,894,240	\$14,409,344	\$27,002,267	\$ ---	\$ ---
Cash deposited with banks	---	---	---	---	5,048	---
U.S. agency obligations	---	---	---	---	93,036,928	---
U.S. Treasury obligations	---	---	---	---	13,364	---
Certificate of deposit	---	---	---	---	9,247	---
Repurchase agreements	---	---	---	---	2,091,636	---
	<u>\$6,645,976</u>	<u>\$912,894,240</u>	<u>\$14,409,344</u>	<u>\$27,002,267</u>	<u>\$95,156,223</u>	<u>\$ ---</u>
Restricted assets:						
Cash and investments pooled in the State						
Treasury	\$ ---	\$ 73,879,226	\$ ---	\$ ---	\$ ---	\$ ---
Cash and investments pooled with the Mo. Dept. of Revenue	---	---	---	---	---	7,199,488
Cash deposited with banks	---	---	---	---	---	1,179,242
U.S. agency obligations	---	---	---	---	---	42,313,215
U.S. Treasury obligations	---	---	---	---	200,000	---
Certificate of deposit	---	---	---	---	100,000	---
Repurchase agreements	---	---	---	---	---	785,153
	<u>\$ ---</u>	<u>\$ 73,879,226</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 300,000</u>	<u>\$ 51,477,098</u>

# Missouri Department of Transportation Comprehensive Annual Financial Report

At June 30, 2009, the Department's investments had the following maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
Repurchase agreements	\$ 44,474,493	\$ 44,474,493	\$ ---	\$ ---
Certificate of deposit	100,000	100,000	---	---
U.S. Treasury obligations	215,168	---	215,168	---
U.S. agency obligations	<u>133,607,306</u>	<u>71,735,318</u>	<u>58,923,755</u>	<u>2,948,233</u>
	<u>\$178,396,967</u>	<u>\$116,309,811</u>	<u>\$59,138,923</u>	<u>\$2,948,233</u>

At June 30, 2008, the Department's investments had the following maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment maturities (in years)</u>	
		<u>Less than 1</u>	<u>1 to 5</u>
Repurchase agreements	\$ 2,876,789	\$ 2,876,789	\$ ---
Certificate of deposit	109,247	109,247	---
U.S. Treasury obligations	213,364	213,364	---
U.S. agency obligations	<u>135,350,142</u>	<u>110,637,094</u>	<u>24,713,048</u>
	<u>\$138,549,542</u>	<u>\$113,836,494</u>	<u>\$24,713,048</u>

At June 30, 2009 and 2008, the Department's investments were rated as shown below. This disclosure does not include repurchase agreements, pooled investments, or the certificate of deposit.

<u>Investment Type</u>	<u>Moody's</u>	<u>Standard and Poors</u>	<u>Fair Value</u>	
			<u>2009</u>	<u>2008</u>
U.S. agency obligations	Aaa	---	\$ 92,128,007	\$133,146,011
U.S. agency obligations	---	AAA	31,135,337	---
U.S. agency obligations	not rated	not rated	10,343,962	2,204,131
U.S. Treasury obligations	Aaa	---	<u>215,168</u>	<u>213,364</u>
			<u>\$133,822,474</u>	<u>\$135,563,506</u>



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**Note 3: Receivables**

Reimbursement receivables consist of billings to outside entities for repayment of expenditures incurred by MoDOT. Also included are miscellaneous receivables from contractors and others. Reimbursement receivables are shown net of an allowance for doubtful accounts of \$1,615,773 and \$1,395,296 at June 30, 2009 and 2008, respectively. The Department provides an allowance based upon a review of the outstanding receivables, historical collection information and existing economic conditions.

Contributions receivable consists of amounts due from participating employers and members in the Department's insurance and risk management plans. The federal government receivable represents funds to be received on federally-participating projects. Loans receivables represent loans to cities and counties for nonhighway-related projects, such as airport improvements. The contractual agreement receivable consists of an arrangement with the State's Department of Revenue related to license plate reissuance.

Receivables at June 30, 2009 for the government's individual major funds, nonmajor funds, and internal service funds were as follows:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>
State taxes, licenses, and fees	\$109,836,125	\$ 15,095,944	\$8,148,922
Federal government	---	41,534,217	---
Miscellaneous:			
Reimbursements	2,814,617	52,093,979	---
Interest	193,565	2,723,655	96,727
Contributions	---	---	---
Total miscellaneous	<u>3,008,182</u>	<u>54,817,634</u>	<u>96,727</u>
Contractual agreement	---	3,090,920	---
Loans	---	---	---
	<u>\$112,844,307</u>	<u>\$114,538,715</u>	<u>\$8,245,649</u>

Receivables at June 30, 2008 for the government's individual major funds, nonmajor funds, and internal service funds were as follows:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>
State taxes, licenses, and fees	\$107,660,143	\$ 14,368,511	\$10,293,434
Federal government	---	37,631,133	---
Miscellaneous:			
Reimbursements	1,056,508	27,508,027	---
Interest	329,273	5,711,092	120,222
Contributions	---	---	---
Total miscellaneous	<u>1,385,781</u>	<u>33,219,119</u>	<u>120,222</u>
Contractual agreement	---	4,003,916	---
Loans	---	---	---
	<u>\$109,045,924</u>	<u>\$89,222,679</u>	<u>\$10,413,656</u>

---

<u>Federal Stimulus Fund</u>	<u>Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>	<u>Due Within One Year</u>
\$ ---	\$ 586,374	\$ ---	\$133,667,365	\$133,667,365
10,313,064	9,603,506	---	61,450,787	61,450,787
---	421,280	460,557	55,790,433	52,632,384
---	71,264	428,653	3,513,864	3,513,864
---	---	<u>1,320,167</u>	<u>1,320,167</u>	<u>1,320,167</u>
---	<u>492,544</u>	<u>2,209,377</u>	<u>60,624,464</u>	<u>57,466,415</u>
---	---	---	3,090,920	3,090,920
---	<u>2,828,123</u>	---	<u>2,828,123</u>	<u>464,345</u>
<u>\$10,313,064</u>	<u>\$13,510,547</u>	<u>\$2,209,377</u>	<u>\$261,661,659</u>	<u>\$256,139,832</u>

<u>Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>	<u>Due Within One Year</u>
\$ 997,254	\$ ---	\$133,319,342	\$131,495,813
6,165,169	---	43,796,302	43,796,302
30,089	72,200	28,666,824	24,295,508
116,933	666,997	6,944,517	6,944,517
---	<u>1,244,400</u>	<u>1,244,400</u>	<u>1,244,400</u>
<u>147,022</u>	<u>1,983,597</u>	<u>36,855,741</u>	<u>32,484,425</u>
---	---	4,003,916	4,003,916
<u>2,318,237</u>	---	<u>2,318,237</u>	<u>460,744</u>
<u>\$9,627,682</u>	<u>\$1,983,597</u>	<u>\$220,293,538</u>	<u>\$212,241,200</u>

**Note 4: Capital Assets**

Changes in capital assets for the year ended June 30, 2009 are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Nondepreciable capital assets					
Land	\$ 2,359,039,742	\$ 2,613,065	\$ 6,750,811	\$ 50,727,531	\$ 2,405,629,527
Construction in progress	165,369,263	95,627,872	---	(70,688,234)	190,308,901
Infrastructure in progress	<u>2,672,051,651</u>	<u>1,169,498,939</u>	<u>---</u>	<u>(1,380,510,195)</u>	<u>2,461,040,395</u>
Total nondepreciable capital assets	<u>5,196,460,656</u>	<u>1,267,739,876</u>	<u>6,750,811</u>	<u>(1,400,470,898)</u>	<u>5,056,978,823</u>
Depreciable capital assets					
Land improvements	14,412,383	---	---	552,456	14,964,839
Buildings	212,256,354	110,274	1,814,526	18,976,448	229,528,550
Equipment	278,181,633	23,754,010	12,286,633	---	289,649,010
Vehicles	179,653,968	15,008,859	7,256,815	---	187,406,012
Infrastructure	<u>41,257,723,313</u>	<u>---</u>	<u>37,649,253</u>	<u>1,380,510,195</u>	<u>42,600,584,255</u>
Total depreciable capital assets	<u>41,942,227,651</u>	<u>38,873,143</u>	<u>59,007,227</u>	<u>1,400,039,099</u>	<u>43,322,132,666</u>
Accumulated depreciation					
Land improvements	7,462,328	543,181	---	---	8,005,509
Buildings	75,387,932	8,135,175	1,313,569	(431,799)	81,777,739
Equipment	154,879,879	21,738,751	11,126,373	---	165,492,257
Vehicles	115,167,243	15,688,418	6,910,993	---	123,944,668
Infrastructure	<u>20,393,782,055</u>	<u>703,548,827</u>	<u>37,649,253</u>	<u>---</u>	<u>21,059,681,629</u>
Total accumulated depreciation	<u>20,746,679,437</u>	<u>749,654,352</u>	<u>57,000,188</u>	<u>(431,799)</u>	<u>21,438,901,802</u>
Total depreciable capital assets, net	<u>21,195,548,214</u>	<u>(710,781,209)</u>	<u>2,007,039</u>	<u>1,400,470,898</u>	<u>21,883,230,864</u>
Total net capital assets	<u>\$26,392,008,870</u>	<u>\$ 556,958,667</u>	<u>\$ 8,757,850</u>	<u>\$ ---</u>	<u>\$26,940,209,687</u>

Changes in capital assets for the year ended June 30, 2008 are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Nondepreciable capital assets					
Land	\$ 2,238,235,277	\$ 96,566	\$ 2,929,052	\$ 123,636,951	\$ 2,359,039,742
Construction in progress	212,571,687	78,201,436	---	(125,403,860)	165,369,263
Infrastructure in progress	<u>2,733,987,396</u>	<u>1,028,231,625</u>	<u>---</u>	<u>(1,090,167,370)</u>	<u>2,672,051,651</u>
Total nondepreciable capital assets	<u>5,184,794,360</u>	<u>1,106,529,627</u>	<u>2,929,052</u>	<u>(1,091,934,279)</u>	<u>5,196,460,656</u>
Depreciable capital assets					
Land improvements	13,946,880	21,131	---	444,372	14,412,383
Buildings	211,685,130	622,846	1,374,159	1,322,537	212,256,354
Equipment	275,888,304	26,504,574	24,211,245	---	278,181,633
Vehicles	179,636,263	9,818,207	9,800,502	---	179,653,968
Infrastructure	<u>40,251,481,313</u>	<u>---</u>	<u>83,925,370</u>	<u>1,090,167,370</u>	<u>41,257,723,313</u>
Total depreciable capital assets	<u>40,932,637,890</u>	<u>36,966,758</u>	<u>119,311,276</u>	<u>1,091,934,279</u>	<u>41,942,227,651</u>
Accumulated depreciation					
Land improvements	6,968,256	494,072	---	---	7,462,328
Buildings	69,275,452	7,016,771	904,291	---	75,387,932
Equipment	155,087,868	22,401,896	22,609,885	---	154,879,879
Vehicles	107,625,275	16,753,400	9,211,432	---	115,167,243
Infrastructure	<u>19,777,917,094</u>	<u>699,790,331</u>	<u>83,925,370</u>	<u>---</u>	<u>20,393,782,055</u>
Total accumulated depreciation	<u>20,116,873,945</u>	<u>746,456,470</u>	<u>116,650,978</u>	<u>---</u>	<u>20,746,679,437</u>
Total depreciable capital assets, net	<u>20,815,763,945</u>	<u>(709,489,712)</u>	<u>2,660,298</u>	<u>1,091,934,279</u>	<u>21,195,548,214</u>
Total net capital assets	<u>\$26,000,558,305</u>	<u>\$ 397,039,915</u>	<u>\$ 5,589,350</u>	<u>\$ ---</u>	<u>\$26,392,008,870</u>

**Note 5: Risk Management**

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition, various lawsuits against the Department arise incident to the Department's normal operations. These risks have been classified as workers' compensation, vehicle liability, general liability, condemnation and inverse condemnation, contractor suits, employment suits, environmental regulatory liability, and levy and drainage district suits. It is the policy of the Department to manage its risks internally, with the exception of purchased earthquake and major building insurance policies. No insurance settlements exceeded coverage in the last three years. In addition, all State employees and officers are covered by the State's Legal Expense Fund.

**(A) Workers' Compensation, Vehicle and General Liabilities**

The Department sets aside assets for the settlement of workers' compensation, vehicle liability and general liability claims in an internal service fund, the MHTC Self-Insurance Fund. Section 537.610, RSMo limits the liability of the State and its public entities on claims within the scope of Sections 537.600 to 537.650 RSMo, except for those claims governed by the provisions of the Missouri Workers' Compensation Law, Chapter 287, RSMo. The limits were \$2,525,423 and \$2,418,992 for all claims arising out of a single accident or occurrence, and \$378,814 and \$362,849 for any one person in a single accident or occurrence, at June 30, 2009 and 2008, respectively, as set by the Missouri Department of Insurance.

Estimated pending self-insurance claims represent the expected losses to be realized on known claims pending and include minor non-incremental claims adjustment expenses. Estimated unreported claims represent expected losses or claims incurred but not reported. Amounts are reported based on actuarial calculations. Liabilities for incurred losses related to workers' compensation, and general and vehicle liability claims are reported at their discounted value, assuming an investment yield of 4 percent.

Changes in pending self-insurance claims and incurred but not reported claims for workers' compensation, vehicle and general liability during the past two years are as follows:

	<u>Beginning Balance</u>	<u>Current Claims and Estimate Changes</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2009	\$ 65,171,440	\$18,461,630	\$ 14,856,627	\$ 68,776,443
2008	\$ 51,314,552	\$31,448,355	\$ 17,591,467	\$ 65,171,440

**(B) Other Claims**

Claims for condemnation and inverse condemnation, contractor suits, levy and drainage district suits, environmental regulatory liability, and employment suits are paid from the State Road Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. As listed in the Financing and Other Obligations note disclosure, the Department has approximately \$5,926,304 and \$1,775,783 in claims and judgments payable at June 30, 2009 and 2008, respectively. The Department is involved in other such suits for which no liability has been recorded, as a probable loss has not occurred. The aggregate potential liability of all claims deemed probable or possible to result in a loss was estimated to be approximately \$9,111,304 and \$5,589,783 as of June 30, 2009 and 2008, respectively. These estimates are within a range of \$6,961,447 to \$41,555,547 and \$3,167,783 to \$18,674,783 as of June 30, 2009 and 2008, respectively.

**Note 6: Medical and Life Insurance Plan**

The MoDOT and Missouri State Highway Patrol (MSHP) Insurance Plan (the Medical and Life Insurance Plan) Internal Service Fund accounts for the medical coverage provided on a self-insured basis and life insurance benefits underwritten by a commercial insurance company. These benefits are available to employees, retirees, certain disabled employees, spouses, certain dependents, and survivors of deceased employees and retirees of the Department, the Missouri State Highway Patrol, and the MoDOT and Patrol Employees' Retirement System. Changes to plan benefits and funding are required to be approved by the Commission. Incurred but not reported claims of \$12,000,000 and \$12,400,000 were reported in the Medical and Life Insurance Plan as of June 30, 2009 and 2008, respectively.

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Claims incurred but not reported represent estimated unreported claims. This liability is established from an actuarial report, which is based on data provided by the Department and claims administrators. Changes in this incurred but not reported claims liability during the past two years are as follows:

	<u>Beginning Balance</u>	<u>Current Claims and Estimate Changes</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2009	\$ 12,400,000	\$95,637,552	\$ 96,037,552	\$ 12,000,000
2008	\$ 11,000,000	\$94,445,290	\$ 93,045,290	\$ 12,400,000

### Note 7: Other Post-Employment Benefits (OPEB)

The Department provides a portion of health care insurance through the Medical and Life Insurance Plan, as discussed in the prior Note, in accordance with Section 104.270, RSMo. For purposes of reporting OPEB costs and obligations in accordance with Governmental Accounting Standards Board (GASB) Statement 45, the Insurance Plan is considered an agent multiple-employer defined benefit plan. Eligible members are employees who retire from the Department with a minimum of 5 years of state service and who participate in the Medical and Life Insurance Plan. Premiums vary by coverage categories, which include retirees, certain disabled employees, spouses, certain dependents, and survivors of deceased employees and retirees. Members' and the Department's required contribution rates average approximately 51.0 percent and 49.0 percent, respectively, of total premiums. Plan member contributions range from \$11 to \$586 per month. The medical insurance benefits, and employer and member contribution amounts, are recommended by the Medical and Life Insurance Plan's Board of Trustees and are approved by the Commission. The Insurance Plan is financed on a pay-as-you-go basis. These other post-employment benefit costs are included in the Medical and Life Insurance Plan Internal Service Fund.

The Department's portion of the total Plan's annual OPEB cost of \$90.9 million and \$96.3 million was \$65.8 million and \$69.7 million as of June 30, 2009 and 2008, respectively. The Department contributed \$19.0 million in fiscal years 2009 and 2008, 29.0 percent and 27.0 percent, including implicit rate subsidies, during fiscal years 2009 and 2008, respectively. Although funding is not related to payroll amounts, an equivalent Annual Required Contribution (ARC) rate would be 24.6 percent and 26.5 percent of annual covered payroll of \$267,292,152 and \$262,657,307 for fiscal years 2009 and 2008, respectively. The Department's share of the \$136.7 million and \$71.1 million OPEB obligation was \$97.5 million and \$50.7 million at June 30, 2009 and 2008, respectively. MoDOT's share of the changes in the Plan's net OPEB obligation at June 30, 2009 is as follows:

Normal cost	\$ 23,845,869
Amortization payment	42,564,589
Interest on net OPEB obligation	2,534,574
Adjustment to ARC	<u>(3,140,737)</u>
Annual OPEB cost	65,804,295
Contributions	<u>(19,039,491)</u>
Increase in net OPEB obligation	46,764,804
Net OPEB Obligation – beginning of year	<u>50,691,490</u>
Net OPEB Obligation – end of year	<u>\$ 97,456,294</u>

Based on an actuarial report dated July 1, 2007, the Plan's total actuarial accrued liability is \$935.7 million. Because the Plan is an internal service fund of the Department, the Plan's assets have not been set aside; therefore, there is no actuarial value of assets. The Department's portion of the actuarial accrued liability at year-end was as follows:

Actuarial accrued liability (AAL)	\$ 686,992,459
Actuarial value of assets	---
Unfunded actuarial accrued liability (UAAL)	<u>\$ 686,992,459</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 267,292,152
UAAL as a percentage of covered payroll	257%

Actuarial valuations reflect a long-term perspective and involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These calculations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. A Schedule of Funding Progress, presented as Required Supplementary Information, follows the Notes to the Financial Statements. As allowed by the GASB, this reporting requirement is being implemented prospectively, as data is not available for prior years. Over time, a Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits. The actuarial calculations have been based on the substantive plan in place at the time of valuation and on the pattern of cost sharing between the employers and members at that point.



The actuarial methods and assumptions utilized in the valuation were as follows:

Actuarial cost method	projected unit credit
UAAL amortization method	level dollar amount
UAAL amortization period, closed/open	30 years, open
Investment return (discount) rate	5.0%
Healthcare cost trend rate	10%, decreasing to 5% in 2012

## Note 8: Financing and Other Obligations

Changes in long-term obligations for the year ended June 30, 2009 were as follows:

Obligation	Beginning Balance	Additions	Reductions	Discount Accreted	Ending Balance	Due Within One Year
State road bonds	\$2,298,080,000	\$142,735,000	\$ 84,890,000	\$ ---	\$2,355,925,000	\$ 88,285,000
Advances from other entities	16,042,464	1,556,026	2,904,453	---	14,694,037	1,577,983
Advances from State of Missouri component units	5,829,581	300,000	5,950,343	120,762	300,000	---
Federal Highway Administration loan	12,169,793	---	---	---	12,169,793	---
Capital leases	28,442,871	581,389	9,377,843	---	19,646,417	8,591,150
Claims and judgments	1,775,783	5,105,895	955,374	---	5,926,304	2,964,755
Compensated absences	36,841,734	26,526,222	25,469,882	---	37,898,074	25,469,882
Other post-employment benefits	50,691,490	46,764,804	---	---	97,456,294	---
Pollution remediation	---	153,657	---	---	153,657	153,657
	<u>\$2,449,873,716</u>	<u>\$223,722,993</u>	<u>\$129,547,895</u>	<u>\$ 120,762</u>	<u>\$2,544,169,576</u>	<u>\$ 127,042,427</u>

Amortization of financing activity:

Deferred refunding difference	(19,125,686)
Capital lease termination	(151,960)
Discount	(145,715)
Premium	98,743,148
	<u>\$2,623,489,363</u>

Changes in long-term obligations for the year ended June 30, 2008 were as follows:

Obligation	Beginning Balance	Additions	Reductions	Discount Accreted	Ending Balance	Due Within One Year
State road bonds	\$1,833,795,000	\$526,800,000	\$ 62,515,000	\$ ---	\$2,298,080,000	\$ 84,890,000
Advances from other entities	12,923,480	4,538,796	1,419,812	---	16,042,464	2,704,453
Advances from State of Missouri component units	18,529,744	---	12,921,073	220,910	5,829,581	5,662,660
Federal Highway Administration loan	15,000,000	---	2,830,207	---	12,169,793	---
Capital leases	35,224,693	23,747,581	30,529,403	---	28,442,871	8,753,575
Claims and judgments	7,472,187	313,084	6,009,488	---	1,775,783	1,650,783
Compensated absences	34,843,085	29,579,434	27,580,785	---	36,841,734	27,580,785
Other post-employment benefits	---	50,691,490	---	---	50,691,490	---
	<u>\$1,957,788,189</u>	<u>\$635,670,385</u>	<u>\$143,805,768</u>	<u>\$ 220,910</u>	<u>\$2,449,873,716</u>	<u>\$ 131,242,256</u>

Amortization of financing activity:

Deferred refunding difference	(21,370,987)
Capital lease termination	(344,719)
Discount	(160,275)
Premium	108,280,218
	<u>\$2,536,277,953</u>

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Payments on state road bonds are made from the Road Fund and the Road Bond Fund. Compensated absences are liquidated by the governmental funds from which the related salaries are paid. All other long-term obligation payments are made from the Road Fund.

The detail of long-term debt is as follows:

### State road bonds:

	2009	2008
Series A 2000 State Road bonds, originally issued for \$250,000,000, to accelerate projects in the Department's five-year plan due in annual installments of \$6,610,000 to \$13,315,000 beginning February 1, 2002 through 2013; interest varying from 4.30 percent to 5.63 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	\$ 38,310,000	\$ 49,700,000
Series A 2001 State Road bonds, originally issued for \$200,000,000, to finance projects in conformity with the priorities established in the 1992 plan developed by the Department due in annual installments of \$7,110,000 to \$10,535,000 beginning February 1, 2003 through 2015; interest varying from 2.25 percent to 5.125 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	40,115,000	48,890,000
Series A 2002 State Road bonds originally issued for \$203,000,000, to finance projects in conformity with the priorities established in the 1992 plan developed by the Department due in annual installments of \$7,435,000 to \$10,075,000 beginning February 1, 2004 through 2015; interest varying from 3.00 percent to 5.25 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	46,185,000	54,670,000
Series A 2003 State Road bonds, originally issued for \$254,000,000, to finance projects in conformity with the priorities established in the 1992 plan developed by the Department due in annual installments of \$8,125,000 to \$18,910,000 beginning February 1, 2005 through 2023; interest varying from 2.00 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	146,555,000	157,445,000
Series 2006 Refunding State Road bonds, originally issued for \$394,870,000, to advance refund certain portions of Series A 2000 through 2003 State Road bonds; due in annual installments of \$13,110,000 to \$61,200,000 beginning February 1, 2013 through 2022; interest varying from 4.00 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	394,870,000	394,870,000
Series A 2005 State Road bonds, originally issued for \$278,660,000, to finance projects pursuant to the Smoother, Safer, Sooner road and bridge program, due in annual installments of \$23,835,000 to \$33,940,000 beginning May 1, 2006 through 2015; interest varying from 2.50 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	181,210,000	206,785,000
Series B 2005 State Road bonds, originally issued for \$72,000,000, to finance projects pursuant to the Smoother, Safer, Sooner road and bridge program, demand bonds due in 2015; variable interest rate determined weekly, not to exceed 10 percent or the maximum rate permitted by law; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution. See Variable Rate Demand Bonds subsection.	58,920,000	58,920,000
Series A 2006 State Road bonds, originally issued for \$296,670,000, to finance projects pursuant to the Smoother, Safer, Sooner road and bridge program; due in annual installments of \$10,000,000 to \$49,085,000; beginning in 2009 through 2021; interest varying from 3.75 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	286,670,000	296,670,000
Series B 2006 State Road bonds, originally issued for \$503,330,000, to finance projects pursuant to the Smoother, Safer, Sooner road and bridge program due in annual installments of \$67,735,000 to \$121,210,000 beginning in 2022 through 2026; interest varying from 4.50 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	503,330,000	503,330,000

Series A 2007 State Road bonds, originally issued for \$526,800,000, to finance projects pursuant to the Smoother, Safer, Sooner road and bridge program due in annual installments of \$1,600,000 to \$69,765,000 beginning in 2009 through 2027; interest varying from 4.00 percent to 5.25 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.

517,025,000 526,800,000

Series A 2008 Federal Reimbursement State Road Bonds, originally issued for \$142,735,000, to finance federally-eligible projects, including the new I-64 project in St. Louis, due in annual installments of \$7,140,000 to \$12,870,000 beginning in 2011 through 2025; interest varying from 3.00 percent to 5.00 percent; secured by revenues collected from federal highway reimbursements.

142,735,000 ---  
\$ 2,355,925,000 \$ 2,298,080,000

The Series 2000, 2001, 2002, and 2003 bonds are Senior Bonds and would take priority in payment over other bonds. The Series A 2005 and Series A and B 2006 bonds are First Lien bonds. The Series B 2005 bonds are Third Lien bonds. The Series A 2007 bonds are Second Lien bonds. The Series A 2008 bonds are First Lien bonds on federal highway reimbursement revenues. As tax-exempt issuances, these bonds are subject to federal arbitrage regulations. Spending requirements have been met and no arbitrage rebates have been owed.

- Variable Rate Demand Bonds

The Series B 2005 State Road bonds were issued as variable rate instruments with weekly rate changes. The remarketing agents determine the interest rate as the lowest rate that will permit the bonds to be sold at par. During the year, interest rates ranged from 0.16 percent to 8.41 percent. Accrued interest is paid on a monthly basis. These bonds are demand obligations and are subject to tender. If the tendered bonds cannot be remarketed, the remarketing agents have agreed to purchase the bonds and hold them for a maximum of 180 days. The remarketing agents receive quarterly fees of 7.5 basis points of amounts outstanding to provide the service.

Under an irrevocable letter of credit issued by State Street Bank and Trust Company, the bank is obligated to pay the bond trustee the purchase price of bonds not remarketed. The letter of credit expires July 21, 2012.

If monies are drawn on the letter of credit, the Commission may pay the purchase price of the bonds or obtain a liquidity advance, payable 60 days following the advance, with interest at the federal funds rate plus 0.5 percent. The Commission may enter into a term loan of up to three years bearing interest at a rate equal to the federal funds rate plus 1.5 percent. If the term loan were to be utilized because the outstanding amount of \$58,920,000 was not resold, the Commission would be required to pay approximately \$10,123,000 semi-annually for 3 years, assuming a 1.75 percent interest rate. The Department pays quarterly fees of 17 basis points to the bank.

In October 2008, due to the volatile interest rate environment, one remarketing agent was not able to remarket all of the bonds. As a result, the Commission drew funds three times from the letter of credit, creating bank bonds. The remarketing agent was successful in November 2008 in remarketing the \$2,489,417 in bonds, at a cost of \$8,177. As of June 30, 2009, all bonds have been remarketed and there was no outstanding balance on the letter of credit.

- Defeased Debt

In December 2006 (fiscal year 2007), the Commission defeased \$407.6 million of outstanding State Road Bonds by placing funds into an irrevocable trust to provide for future debt service payments of portions of Series 2000 through 2003 bonds. Accordingly, the trust account assets and those portions of the bonds are excluded from the Department's financial statements. The amounts of outstanding bonds considered defeased at June 30, 2009 are as follows:

<u>Bond Series</u>	<u>Principal Defeased</u>
2000 A	\$ 135,980,000
2001 A	105,075,000
2002 A	109,165,000
2003 A	<u>57,390,000</u>
Total	<u>\$ 407,610,000</u>

Advances from other entities:	2009	2008
County of St. Charles to provide a location, needs, and cost study of a river crossing on Highway 40 between St. Louis County and St. Charles County; principal due on July 1, 2020; no interest will accrue.	\$ 644,498	\$ 644,498
City of O'Fallon to accelerate a portion of the Route 364 (Page Avenue Extension) project, which consists of constructing a south outer road parallel to Route N between Winghaven Boulevard to Missouri Route K; principal due July 1, 2015; no interest will accrue.	8,835,335	8,835,335
City of Monett to make improvements to Route 60 in Barry County from 1.2 miles east of Route 37 to 1.8 miles east of Route 37; principal due in 2010; no interest will accrue.	1,120,692	1,120,692
City of O'Fallon to extend Bryan Road from Feise Road to Route N across the Route 364 (Page Avenue Extension) right of way; principal due on December 31, 2008; no interest will accrue.	---	790,000
County of St. Charles to make improvements to Routes I-70 and K; principal due July 1, 2009; no interest will accrue. Final payment was processed in June 2009.	---	200,000
City of Joplin to make improvements to the intersection of Route FF, Route 43, and 32 <sup>nd</sup> Street; principal due August 31, 2008 and 2009; no interest will accrue.	457,291	2,115,856
City of Columbia to make improvements to Route 763; principal due July 1, 2010; no interest will accrue.	1,251,568	1,251,568
City of Columbia to make improvements to Route 63 at Gans Road; principal due August 1, 2010; no interest will accrue.	970,719	970,719
City of Chillicothe to make improvements to Route 65; principal due August 31, 2010; no interest will accrue.	193,365	58,558
American Energy Producers to make improvements to Route 65; principal due in fiscal year 2011; no interest will accrue.	183,750	55,238
Springfield Underground to make improvements to Route 744; principal due August 1, 2010; no interest will accrue.	998,251	---
Joplin Special Road District to make improvements at Route 43 and Douglas Fir Road; principal due August 1, 2011; no interest will accrue.	38,568	---
	<u>\$ 14,694,037</u>	<u>\$ 16,042,464</u>

**Advances from State of Missouri component units:**

	<u>2009</u>	<u>2008</u>
Highway 179 Transportation Corporation for the construction of Highway 179; principal payments due yearly through August 1, 2008; principal payments range from \$2,140,734 to \$3,784,974.	\$ ---	\$ 3,784,974
210 Highway Transportation Development District for the widening of 210 Highway; principal payments will occur yearly on July 1, through 2008; principal payments range from \$965,504 to \$2,375,000; no interest will accrue.	---	1,877,686
Missouri Transportation Finance Corporation for right of way and construction-related cost for two additional lanes on Highway 63; principal and interest payments will occur yearly on July 1, through fiscal year 2010; the interest rate is 3.232 percent. Final payment was processed in June 2009.	---	166,921
Missouri Transportation Finance Corporation to make improvements to Route 47 in the City of Warrenton; principal due August 1, 2010; interest to be paid by City.	<u>300,000</u> <u>\$ 300,000</u>	--- <u>\$ 5,829,581</u>

**Federal loan:**

Federal Highway Administration loan; for the extension of Page Avenue in St. Charles; principal payments due beginning fiscal year 2008 through 2011, no interest will accrue.	<u>\$12,169,793</u>	<u>\$12,169,793</u>
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Annual debt service requirements to maturity are indicated in the following schedule. The interest amounts for the demand obligation bonds reflect the year-end rate of 0.22 percent and are based upon the current debt service schedule.

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
State Road Bonds			
2010	\$ 88,285,000	\$ 112,781,500	\$ 201,066,500
2011	99,885,000	108,646,238	208,531,238
2012	121,135,000	103,916,217	225,051,217
2013	129,910,000	98,983,473	228,893,473
2014	135,920,000	93,458,935	229,378,935
2015-2019	747,920,000	372,152,866	1,120,072,866
2020-2024	750,920,000	178,197,103	929,117,103
2025-2027	<u>281,950,000</u>	<u>22,096,064</u>	<u>304,046,064</u>
	<u>\$2,355,925,000</u>	<u>\$1,090,232,396</u>	<u>\$3,446,157,396</u>
Advances from other entities			
2010	\$ 1,577,983	\$ ---	\$ 1,577,983
2011	3,597,653	---	3,597,653
2012	38,568	---	38,568
2013	---	---	---
2014	---	---	---
2015-2019	8,835,335	---	8,835,335
2020-2021	<u>644,498</u>	---	<u>644,498</u>
	<u>\$ 14,694,037</u>	<u>\$ ---</u>	<u>\$ 14,694,037</u>
Advances from State of Missouri component units			
2011	<u>\$ 300,000</u>	<u>\$ ---</u>	<u>\$ 300,000</u>
Federal Loan			
2011	<u>\$ 12,169,763</u>	<u>\$ ---</u>	<u>\$ 12,169,763</u>

## Missouri Department of Transportation Comprehensive Annual Financial Report

House Bill 1742, signed by the Governor on May 30, 2000, authorized the Department to issue bonds of \$2.25 billion through 2006, with no more than \$500.0 million issued in any one year. Under Constitutional Amendment 3, approved by Missouri voters on November 2, 2004, the authority of the Commission to issue State Road bonds is not subject to statutory provisions.

In December 2003, the Commission entered into a line-of-credit with the MTFC. The maximum amount available in the line-of-credit is the total uncommitted balance of the MTFC accounts. The primary purpose of the loan is to finance federally funded construction projects in the event of federal reimbursement delays for Road Fund projects. The Commission will make a lump-sum payment of principal and interest three months after the loan is advanced. At June 30, 2009 and 2008, no advances had been made to MoDOT on the line-of-credit agreement.

### Capital lease obligations:

The Department is committed under several capital leases to finance the acquisition of various vehicles and equipment, as well as a building. Lease-purchase agreements for equipment, vehicles, and the building grant a security interest in the related capital assets. The assets acquired through these capital leases are included in capital assets as follows:

	<u>2009</u>	<u>2008</u>
Building	\$ 4,106,522	\$ 3,996,000
Equipment	3,594,246	3,662,053
Vehicles	<u>34,141,487</u>	<u>35,158,106</u>
Total capital leased assets	41,842,255	42,816,159
Accumulated depreciation	<u>16,949,647</u>	<u>13,038,150</u>
Capital leased assets, net	\$ <u>24,892,608</u>	\$ <u>29,778,009</u>

The following schedule presents the future minimum lease payments under the capital leases and the present value of the future minimum lease payments as of June 30, 2009:

2010	\$ 9,026,775
2011	8,511,283
2012	497,709
2013	433,321
2014	414,661
2015-2019	1,980,000
2020	<u>165,000</u>
Total minimum lease payments	21,028,749
Less: amount representing interest	<u>1,382,332</u>
Present value of minimum lease payments	<u>\$19,646,417</u>

### Pollution remediation obligations:

During 2009, MoDOT contracted for site assessment of a chemical contamination and a leaking underground storage tank. The contract, which is outstanding at June 30, 2009 in the amount of \$153,657, will provide information needed to determine any remediation activities and future costs. MoDOT is currently performing control and prevention activities in three instances related to buildings and grounds caused by chemical contamination and moisture intrusion. The potential for pollution remediation exists; however, any future remediation obligations are not yet estimable. There was no reportable liability at June 30, 2008.

**Note 9: Tax Revenues**

Tax revenues for the fiscal years 2009 and 2008 were as follows:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>	<b>Nonmajor Funds</b>	<b>Total 2009</b>
Fuel taxes	\$499,207,302	\$ 104,383	\$ ---	\$ 194,126	\$499,505,811
Sales and use taxes	<u>42,343,291</u>	<u>96,682,301</u>	<u>88,868,734</u>	<u>6,704,325</u>	<u>234,598,651</u>
Total tax revenue	<u>\$541,550,593</u>	<u>\$ 96,786,684</u>	<u>\$ 88,868,734</u>	<u>\$ 6,898,451</u>	<u>\$734,104,462</u>

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>	<b>Nonmajor Funds</b>	<b>Total 2008</b>
Fuel taxes	\$514,476,995	\$ 115,290	\$ ---	\$ 315,399	\$514,907,684
Sales and use taxes	<u>51,739,035</u>	<u>121,086,751</u>	<u>86,460,258</u>	<u>11,052,984</u>	<u>270,339,028</u>
Total tax revenue	<u>\$566,216,030</u>	<u>\$121,202,041</u>	<u>\$ 86,460,258</u>	<u>\$11,368,383</u>	<u>\$785,246,712</u>

Taxes are remitted by the Missouri Department of Revenue to the Department subsequent to collection. The Department receives the following taxes:

- **Fuel taxes** are paid on the sale of gasoline, aviation fuel used in propelling aircraft with reciprocating engines, and diesel fuel. The taxes are authorized by Sections 142.010 – 142.350; 155.080 and 155.090; and 142.362 – 142.621, RSMo, respectively. The tax rate on gasoline and diesel fuels is \$0.17 per gallon. The Department receives 75 percent of the first \$0.11 and 70 percent of the next \$0.06. The remaining tax is distributed to cities and counties. In addition, the Department receives the entire tax on aviation fuel of \$0.09 per gallon.
- **Sales and use taxes** are paid on the purchase of any new or used motor vehicle or trailer, on vehicles purchased out of state and titled in Missouri, and on the sale of a vehicle between individuals within Missouri. The taxes are authorized by Sections 144.070 and 144.440, RSMo. The general sales tax rate is 3 percent and Proposition C tax (Section 144.701, RSMo) is 1 percent, for a total of 4 percent. In fiscal year 2009, the Department received 75% of the motor vehicle sales tax due to the fully phased-in voter-approved Constitutional Amendment 3. The remainder is distributed to cities, counties, and school districts. The Department receives 100 percent of the 3 percent general use tax and 75 percent of the Proposition C use tax. The other 25 percent of the Proposition C use tax is distributed to cities and counties. In addition, the Department receives sales and use tax on aviation jet fuel, limited to a maximum of \$10.0 million in each calendar year.

**Note 10: Interfund Transactions**

The Department is required by State statute (RSMo 226.200) to transfer any unspent monies in the Highway Fund to the State Road Fund on a monthly basis. Transfers for the years ended June 30, 2009 and 2008 were as follows:

	<b>2009</b>		<b>2008</b>	
	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Transfers In</b>	<b>Transfers Out</b>
State Highways and Transportation Department Fund	\$ ---	\$ 527,110,139	\$ ---	\$ 574,863,959
State Road Fund	554,257,470	---	574,863,959	---
Federal Stimulus Fund	---	28,279,016	---	---
Nonmajor Funds	<u>1,131,685</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total transfers	<u>\$ 555,389,155</u>	<u>\$ 555,389,155</u>	<u>\$ 574,863,959</u>	<u>\$ 574,863,959</u>

## Missouri Department of Transportation Comprehensive Annual Financial Report

The due to/from amounts in the Road Fund and non-major funds represent interfund services provided and used. Amounts due to/from as of June 30, 2009 and 2008 were as follows:

	2009		2008	
	Due To	Due From	Due To	Due From
Nonmajor Funds	\$ 1,293,502	\$ 1,131,685	\$ ---	\$833,068
Federal Stimulus Fund	10,313,064	---	---	---
State Road Fund	---	10,474,881	833,068	---
Total due to/from	<u>\$11,606,566</u>	<u>\$11,606,566</u>	<u>\$833,068</u>	<u>\$833,068</u>

### Note 11: Defined Benefit Pension Plan

The MoDOT and Patrol Employees' Retirement System (MPERS) was established, and is administered by a board of trustees, in accordance with Section 104.020 RSMo. As the plan includes employees outside of the Department, the MPERS is disclosed in accordance with the requirements of a cost-sharing, multiple-employer, public employee retirement plan. The MPERS provides retirement, death, and disability benefits to full-time employees (defined as working at least 1,040 hours annually) with benefits vesting after five years of creditable service. Contributions to the MPERS for fiscal years 2009 and 2008 were 30.72 percent and 31.01 percent, respectively, of covered payroll. The Department made 100 percent of the required contributions of \$82,112,149, \$81,450,011, and \$80,949,952 in 2009, 2008, and 2007, respectively. The MPERS' funded status ratio was 47.30 percent and 59.10 percent as of June 30, 2009 and 2008, respectively.

The MPERS' funding policy provides for actuarially determined and board approved, employer contributions using the entry-age normal cost method on a closed group basis, consisting of normal cost and amortization of any unfunded accrued liabilities over a closed 27-year period from July 1, 2009. (The amortization period will decrease by one year each year.) Actuarially determined rates, expressed as percentages of annual covered payroll, provide for amounts sufficient to fund those benefits designated by State statute to be funded in advance. Employees do not contribute to the MPERS. Any amendments to the plan are established by changes in State statute.

The MPERS issues its own stand-alone financial report, which provides detailed information regarding actuarial assumptions and funding progress. Copies may be requested from the MoDOT and Patrol Employees' Retirement System, P.O. Box 1930, Jefferson City, Missouri 65102 or at [www.mpers.org](http://www.mpers.org).

### Note 12: Commitments and Contingencies

#### (A) Unemployment Benefits

The Department is subject to the Missouri Employment Security Law. Department employees who qualify are entitled to benefit payments during periods of unemployment. The Department is required to reimburse the Division of Employment Security for benefit payments made to its former employees. The Department has identified no practical method of estimating the amount of future benefit payments that may be made to former employees for wage credits earned prior to June 30, 2009 and 2008. Consequently, this potential obligation is not included in the accompanying basic financial statements. Total reimbursements made by the Department were \$465,917 and \$591,451 for fiscal year 2009 and 2008, respectively.

#### (B) Construction Commitments

Construction awards outstanding for both state and federal participating projects at June 30, 2009 and 2008 amounted to approximately \$1,702,811,400 and \$1,336,155,047, respectively. The federal portion of this total was \$1,325,150,085 and \$927,641,189, or approximately 77.82 percent and 69.43 percent, for 2009 and 2008, respectively.



**(C) Operating Leases**

The Department is committed under operating leases for buildings, as well as various office and maintenance equipment. Lease expenditures for the years ended June 30, 2009 and 2008 amounted to \$3,168,618 and \$3,110,562, respectively. Future minimum lease payments for these leases are as follows:

Year ending:	<u>2009</u>	<u>2008</u>
2009	\$ ---	\$1,007,487
2010	1,477,448	504,436
2011	534,449	472,521
2012	33,768	1,209
2013	1,209	1,209
2014	<u>1,209</u>	<u>1,209</u>
	<u>\$2,048,083</u>	<u>\$1,988,071</u>

**(D) Federal Funding**

The Department receives federal grants that are subject to review and audit by federal grantor agencies. This could result in requests for reimbursement by the grantor agency for any expenditures disallowed under grant terms. The Department believes such disallowances, if any, would be immaterial.

**Note 13: Net Asset and Fund Balance Deficits**

The MHTC self-insurance plan fund, an internal service fund, had a net asset deficit of \$505,796 at June 30, 2009. Funding is based on annual actuarial studies and budget availability. Increases in appropriations and claims management should eliminate the deficit over time.

The Highway Safety Fund, a nonmajor fund, had a deficit fund balance at June 30, 2009 of \$489,690. The National Highway Traffic Safety Administration provides financing for the Highway Safety Fund. The Highway Safety Fund expenditures are recorded as incurred and, under the modified accrual basis, the corresponding revenue has been deferred due to the timing of receipts.

**Note 14: Accounting Pronouncements**

The Department changed its method of accounting for pollution remediation obligations when it implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in fiscal year 2009. Under the new requirements, the Department's government-wide financial statements reflect the accrual of known and estimable current and future pollution remediation activities, in addition to expanded note disclosures. MoDOT has determined that there were no reportable obligations at June 30, 2008 or July 1, 2008. Fiscal Year 2008 was not restated because sufficient information to apply the provisions of the Statement retroactively does not exist. The Financing and Other Obligations note provides disclosure related to pollution remediation obligations.

The Department will implement GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*, in fiscal year 2010. Under the new requirements, capital assets reported by the Department will include intangible assets. The Statement requires beginning balances to be restated.

**Note 15: Subsequent Event**

On September 1, 2009, the Commission authorized the issuance of \$600,000,000 in federal reimbursement state road bonds. These bonds will bear interest, payable semiannually, beginning in 2011. The bonds will be callable by the Department, subject to certain provisions. Proceeds will be used to finance certain construction and reconstruction costs of the state highway system.



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# Required Supplementary Information

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# Required Supplementary Information

## Budgetary Comparison Schedules – State Highways and Transportation Department Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances Between Final Budget and Actual</b>	
	<b>Original</b>	<b>Final</b>		<b>2009</b>	<b>2008</b>
<b>Budgetary fund balance, beginning of year</b>	\$ 6,640,886	\$ 6,640,886	\$ 6,640,886	\$ ---	\$ ---
Resources (inflows)					
Fuel taxes	523,395,000	523,395,000	499,322,839	(24,072,161)	(5,487,791)
License, fees, and permits	157,155,000	157,155,000	180,995,931	23,840,931	19,287,895
Vehicle sales and use taxes	49,791,000	49,791,000	43,725,339	(6,065,661)	16,793,835
Interest	3,963,000	3,963,000	1,401,195	(2,561,805)	(647,788)
Intergovernmental/cost reimbursements/miscellaneous	<u>8,281,000</u>	<u>8,281,000</u>	<u>10,592,143</u>	<u>2,311,143</u>	<u>(1,290,951)</u>
<b>Amount available for appropriation</b>	<u>749,225,886</u>	<u>749,225,886</u>	<u>742,678,333</u>	<u>(6,547,553)</u>	<u>28,655,200</u>
Charges to appropriations (outflows)					
Appropriations spent by other state agencies	<u>219,574,033</u>	<u>216,153,663</u>	<u>197,131,031</u>	<u>19,022,632</u>	<u>7,179,842</u>
<b>Total charges to appropriations</b>	<u>219,574,033</u>	<u>216,153,663</u>	<u>197,131,031</u>	<u>19,022,632</u>	<u>7,179,842</u>
Transfers to State Road Fund	<u>(500,000,000)</u>	<u>(536,000,000)</u>	<u>(535,588,339)</u>	<u>411,661</u>	<u>16,158,992</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 29,651,853</u>	<u>\$ (2,927,777)</u>	<u>\$ 9,958,963</u>	<u>\$ 12,886,740</u>	<u>\$ 51,994,034</u>

# Required Supplementary Information

## Budgetary Comparison Schedules – State Road Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Budgeted Amounts		Actual	Variances Between Final Budget and Actual	
	Original	Final		2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 986,826,058	\$ 986,826,058	\$ 986,826,058	\$ ---	\$ ---
Resources (inflows)					
Fuel taxes	113,000	113,000	104,383	(8,617)	2,290
License, fees, and permits	126,988,000	126,988,000	98,239,362	(28,748,638)	(14,164,786)
Vehicle sales and use taxes	127,870,000	127,870,000	98,941,390	(28,928,610)	66,736,883
Interest	29,063,000	29,063,000	22,354,438	(6,708,562)	10,519,950
Intergovernmental/cost reimbursements/miscellaneous	94,847,000	94,847,000	137,228,060	42,381,060	(28,741,496)
Federal government	886,303,000	886,303,000	829,935,794	(56,367,206)	47,245,887
Bond proceeds	<u>148,401,000</u>	<u>148,401,000</u>	<u>144,468,875</u>	<u>(3,932,125)</u>	<u>140,871,368</u>
<b>Amount available for appropriation</b>	<u>2,400,411,058</u>	<u>2,400,411,058</u>	<u>2,318,098,360</u>	<u>(82,312,698)</u>	<u>222,470,096</u>
Charges to appropriations (outflows)					
Administration					
Personal service	22,619,416	22,532,976	21,540,053	992,923	1,477,834
Fringe benefits	25,157,804	25,129,371	23,065,634	2,063,737	1,268,818
Expense and equipment	5,427,947	5,467,923	4,607,860	860,063	908,135
Maintenance					
Personal service	153,324,343	150,606,030	148,626,314	1,979,716	604,156
Fringe benefits	94,440,878	93,405,347	89,443,932	3,961,415	3,337,880
Expense and equipment	214,238,856	246,875,953	228,126,317	18,749,636	7,111,448
Motorist assist					
Personal service	1,983,396	1,983,396	1,989,366	(5,970)	14,366
Fringe benefits	1,232,779	1,232,779	1,203,110	29,669	80,622
Expense and equipment	527,437	527,437	512,303	15,134	(31,965)
Construction					
Personal service	90,989,877	89,325,075	84,287,805	5,037,270	3,231,877
Fringe benefits	50,965,327	50,450,412	45,025,893	5,424,519	3,600,293
Expense and equipment	24,450,767	25,519,561	22,968,677	2,550,884	697,436
Contracts	1,229,747,006	1,366,803,379	1,207,686,082	159,117,297	95,905,962
Right of way purchase	40,000,000	97,000,000	80,435,237	16,564,763	4,929,912
Program-bonds	75,096,000	75,096,000	88,891,045	(13,795,044)	---
Fleet, facilities, and information systems					
Personal service	17,072,074	17,052,881	16,479,767	573,114	634,818
Fringe benefits	9,668,464	9,659,272	8,942,458	716,814	865,688
Expense and equipment	88,259,508	87,877,257	79,213,219	8,664,038	4,928,064
Multimodal operations					
Personal service	444,927	444,927	413,080	31,847	36,525
Fringe benefits	221,308	221,308	190,247	31,061	28,733
Expense and equipment	308,224	308,224	184,887	123,337	15,361
Bond principal and interest payments	<u>97,277,000</u>	<u>97,277,000</u>	<u>111,064,469</u>	<u>(13,787,469)</u>	<u>19,288,326</u>
<b>Total charges to appropriations</b>	<u>2,243,453,338</u>	<u>2,464,796,508</u>	<u>2,264,897,755</u>	<u>199,898,754</u>	<u>148,934,289</u>
Transfers from Federal Stimulus Fund	---	125,000,000	17,965,952	107,034,048	---
Transfers from Highway Fund	<u>500,000,000</u>	<u>536,000,000</u>	<u>535,588,339</u>	<u>(411,661)</u>	<u>(16,158,992)</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 656,957,720</u>	<u>\$ 596,614,550</u>	<u>\$ 606,754,896</u>	<u>\$ 10,140,347</u>	<u>\$ 355,245,393</u>

## Required Supplementary Information

### Budgetary Comparison Schedules – Federal Stimulus Fund

Year Ended June 30, 2009

Established March 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variances Between Final Budget and Actual</u>
<b>Budgetary fund balance, beginning of year</b>	\$ ---	\$ ---	\$ ---
Resources (inflows)			
American Recovery and Reinvestment Act	107,250,000	17,965,715	(89,284,285)
Interest	---	237	237
<b>Amount available for appropriation</b>	<u>107,250,000</u>	<u>17,965,952</u>	<u>(89,284,048)</u>
Transfers to State Road Fund	(125,000,000)	(17,965,952)	107,034,048
Transfers to Multimodal Federal Fund	<u>(11,500,000)</u>	<u>---</u>	<u>11,500,000</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ (29,250,000)</u>	<u>\$ ---</u>	<u>\$ 29,250,000</u>

## Required Supplementary Information

### Budget Basis to GAAP Reconciliations and Disclosure

Years Ended June 30, 2009 and 2008

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis for 2009:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>Federal Stimulus Fund</b>
Fund balance, budgetary basis	\$ 9,958,963	\$ 606,754,896	\$ ---
Receivables	112,844,307	114,538,715	10,313,064
Due from other funds	---	10,474,881	---
Inventories	---	47,693,063	---
Payables	(7,228,038)	(134,942,706)	---
Deferred revenues	(4,334,217)	(43,944,923)	---
Escrowed funds	---	5,476,028	---
Due to other funds	---	---	(10,313,064)
Change in fair value of investments	<u>28,768</u>	<u>570,648</u>	<u>---</u>
Fund balance, GAAP basis	<u>\$111,269,783</u>	<u>\$ 606,620,602</u>	<u>\$ ---</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis for 2008:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>
Fund balance, budgetary basis	\$ 6,640,886	\$ 986,826,058
Receivables	109,045,924	89,222,679
Due from other funds	---	833,068
Inventories	---	42,442,965
Payables	(8,255,073)	(124,643,606)
Deferred revenues	(3,889,907)	(25,202,468)
Change in fair value of investments	<u>5,090</u>	<u>(52,592)</u>
Fund balance, GAAP basis	<u>\$103,546,920</u>	<u>\$ 969,426,104</u>

### Budgetary Principles and Presentation

The budgetary comparison schedules are presented on the State's budgetary basis of accounting. Under this basis, revenues are recognized when cash is received. Expenditures are recognized for cash disbursements made during the fiscal year and for adjustments made in the lapse period, as defined by the Office of Administration.

All governmental funds reported by MoDOT have legally adopted annual budgets. The legal authority for approval of the Department's budget and amendments for the State Highways and Transportation Department Fund and the Federal Stimulus Fund rests with the State Legislature. Remaining budgeted amounts are not available at the end of the lapse period. The Commission approves the State Road Fund budget and amendments. The fund level is the legal level of control for the State Road Fund. However, at any time, the Commission may approve the Department to spend more or less than the State Legislature or the fund level of the State Road Fund, which will drive the Department's budget to be higher or lower than the other legal limits.

The Department develops its budget through processes involving the districts and the central office divisions and units. Upon Commission approval, the legislative budget request is sent to the Office of Administration on October 1, and is forwarded to the Governor's Office. The Governor develops a recommendation regarding the budget and forwards both the budget request and the recommendation to the Legislature. The Legislature generally acts on budget matters during January through May. The Governor has veto authority and generally acts on those matters in June. Upon Commission approval, the Department then internally distributes available funds based on input and feedback from the districts and the central office divisions and units.

## Required Supplementary Information

### Schedule of Funding Progress

### Other Post-Employment Benefits

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2007	---	\$686,992,459	\$686,992,459	0%	\$262,657,307	262%

Actuarial valuations are performed biennially. The July 1, 2007 actuarial valuation was used for the fiscal years 2008 and 2009 financial statements. The Department is the majority employer participating in the Insurance Plan. The Plan's total actuarial accrued liability is \$935.7 million. As allowed by the GASB, this reporting requirement is being implemented prospectively, as prior years' data is not available.

Because the Plan is an internal service fund of the Department, the Plan's assets have not been set aside; therefore, there is no actuarial value of assets. This results in a calculated funded ratio of zero percent. The Insurance Plan is financed on a pay-as-you-go basis. The plan is not related to covered payroll; the required information is displayed for information purposes. Refer to the Medical and Life Insurance Plan and Other Post-Employee Benefits disclosures in the Notes to the Financial Statements for further information on the Insurance Plan.



# Combining Financial Statements Nonmajor Governmental Funds

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# Combining Balance Sheets

## Nonmajor Governmental Funds – Special Revenue

June 30, 2009

With Summarized Financial Information for 2008

	Multimodal Federal Fund and Missouri General Fund	State Transportation Fund	Aviation Trust Fund	State Transportation Assistance Revolving Fund	MCS Federal Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 449,252	\$606,934	\$14,416,943	\$ 705,295	\$105,818
State taxes and fees receivable	---	217,248	231,762	---	---
Federal government receivable	6,329,774	---	---	---	111,298
Miscellaneous receivables, net	385,897	---	53,303	17,961	---
Loans receivable	---	---	---	2,828,123	---
Due from other funds	1,131,685	---	---	---	---
<b>Total assets</b>	<u>\$8,296,608</u>	<u>\$824,182</u>	<u>\$14,702,008</u>	<u>\$3,551,379</u>	<u>\$217,116</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$7,629,259	\$ 301	\$ 1,206,939	\$ ---	\$111,298
Accrued payroll	27,954	8,310	27,986	---	---
Deferred revenue	26,705	---	---	---	---
Due to other funds	14,967	4,548	13,788	---	---
<b>Total liabilities</b>	<u>7,698,885</u>	<u>13,159</u>	<u>1,248,713</u>	<u>---</u>	<u>111,298</u>
<b>Fund Balances</b>					
Reserve for loans receivable	---	---	---	2,828,123	---
Unreserved, special revenue funds	597,723	811,023	13,453,295	723,256	105,818
<b>Total fund balances</b>	<u>597,723</u>	<u>811,023</u>	<u>13,453,295</u>	<u>3,551,379</u>	<u>105,818</u>
<b>Total liabilities and fund balances</b>	<u>\$8,296,608</u>	<u>\$824,182</u>	<u>\$14,702,008</u>	<u>\$3,551,379</u>	<u>\$217,116</u>

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<u>Grade Crossing Safety Fund</u>	<u>Railroad Expense Fund</u>	<u>Highway Safety Fund</u>	<u>Motorcycle Safety Fund</u>	<u>Total</u>	
				<u>2009</u>	<u>2008</u>
\$ 4,988,488	\$919,271	\$ 256,405	\$ 241,210	\$22,689,616	\$27,002,267
137,364	---	---	---	586,374	997,254
---	---	3,162,434	---	9,603,506	6,165,169
35,383	---	---	---	492,544	147,022
---	---	---	---	2,828,123	2,318,237
---	---	---	---	1,131,685	---
<u>\$ 5,161,235</u>	<u>\$919,271</u>	<u>\$3,418,839</u>	<u>\$ 241,210</u>	<u>\$37,331,848</u>	<u>\$36,629,949</u>
\$ 26,610	\$ 4,833	\$1,870,961	\$ ---	\$10,850,201	\$ 5,992,630
---	23,318	18,154	---	105,722	101,382
35,383	632,048	773,899	---	1,468,035	1,080,439
---	14,684	1,245,515	---	1,293,502	833,068
<u>61,993</u>	<u>674,883</u>	<u>3,908,529</u>	<u>---</u>	<u>13,717,460</u>	<u>8,007,519</u>
---	---	---	---	2,828,123	2,318,237
<u>5,099,242</u>	<u>244,388</u>	<u>(489,690)</u>	<u>241,210</u>	<u>20,786,265</u>	<u>26,304,193</u>
<u>5,099,242</u>	<u>244,388</u>	<u>(489,690)</u>	<u>241,210</u>	<u>23,614,388</u>	<u>28,622,430</u>
<u>\$ 5,161,235</u>	<u>\$919,271</u>	<u>\$3,418,839</u>	<u>\$ 241,210</u>	<u>\$37,331,848</u>	<u>\$36,629,949</u>

# Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds – Special Revenue

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Multimodal Federal Fund and Missouri General Fund	State Transportation Fund	Aviation Trust Fund	State Transportation Assistance Revolving Fund	MCS Federal Fund
<b>Revenues</b>					
Fuel taxes	\$ ---	\$ ---	\$ 194,126	\$ ---	\$ ---
Sales and use taxes	---	2,369,111	4,335,214	---	---
Licenses, fees, and permits	---	---	---	---	---
Intergovernmental/cost reimbursements/miscellaneous	2,424,003	---	3,061	---	---
Investment earnings	---	70	378,489	95,959	---
State government	16,633,764	---	---	---	---
Federal government	51,750,890	---	---	---	1,116,507
<b>Total revenues</b>	<u>70,808,657</u>	<u>2,369,181</u>	<u>4,910,890</u>	<u>95,959</u>	<u>1,116,507</u>
<b>Expenditures</b>					
Current					
Maintenance	---	---	---	---	1,117,291
Multimodal operations	71,765,666	3,121,332	7,834,256	---	---
Capital outlay	---	---	300,000	---	---
Other state agencies	---	---	43,660	2,608	---
<b>Total expenditures</b>	<u>71,765,666</u>	<u>3,121,332</u>	<u>8,177,916</u>	<u>2,608</u>	<u>1,117,291</u>
<b>Excess of revenues over (under) expenditure</b>	<u>(957,009)</u>	<u>(752,151)</u>	<u>(3,267,026)</u>	<u>93,351</u>	<u>(784)</u>
<b>Other Financing Sources</b>					
Capital asset sales	---	---	---	---	21,348
Transfers in	1,131,685	---	---	---	---
<b>Total other financing sources</b>	<u>1,131,685</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>21,348</u>
<b>Net Changes in Fund Balances</b>	174,676	(752,151)	(3,267,026)	93,351	20,564
<b>Fund Balances, beginning of year</b>	<u>423,047</u>	<u>1,563,174</u>	<u>16,720,321</u>	<u>3,458,028</u>	<u>85,254</u>
<b>Fund Balances, end of year</b>	<u>\$ 597,723</u>	<u>\$ 811,023</u>	<u>\$13,453,295</u>	<u>\$ 3,551,379</u>	<u>\$ 105,818</u>

<u>Grade Crossing Safety Fund</u>	<u>Railroad Expense Fund</u>	<u>Highway Safety Fund</u>	<u>Motorcycle Safety Fund</u>	<u>Total</u>	
				<u>2009</u>	<u>2008</u>
\$ ---	\$ ---	\$ ---	\$ ---	\$ 194,126	\$ 315,399
---	---	---	---	6,704,325	11,052,984
1,500,827	751,582	---	382,696	2,635,105	2,377,706
23,293	764	9,020	195	2,460,336	797,652
35	---	---	---	474,553	794,307
---	---	---	---	16,633,764	13,257,327
---	---	<u>22,927,861</u>	---	<u>75,795,258</u>	<u>62,179,640</u>
<u>1,524,155</u>	<u>752,346</u>	<u>22,936,881</u>	<u>382,891</u>	<u>104,897,467</u>	<u>90,775,015</u>
---	---	23,690,441	353,394	25,161,126	16,214,286
1,998,783	687,373	---	---	85,407,410	73,634,440
120,146	---	---	---	420,146	2,609
<u>15,554</u>	<u>8,921</u>	---	<u>4,617</u>	<u>75,360</u>	<u>91,426</u>
<u>2,134,483</u>	<u>696,294</u>	<u>23,690,441</u>	<u>358,011</u>	<u>111,064,042</u>	<u>89,942,761</u>
<u>(610,328)</u>	<u>56,052</u>	<u>(753,560)</u>	<u>24,880</u>	<u>(6,166,575)</u>	<u>832,254</u>
---	5,500	---	---	26,848	23,683
---	---	---	---	<u>1,131,685</u>	---
---	<u>5,500</u>	---	---	<u>1,158,533</u>	<u>23,683</u>
(610,328)	61,552	(753,560)	24,880	(5,008,042)	855,937
<u>5,709,570</u>	<u>182,836</u>	<u>263,870</u>	<u>216,330</u>	<u>28,622,430</u>	<u>27,766,493</u>
<u>\$5,099,242</u>	<u>\$244,388</u>	<u>\$ (489,690)</u>	<u>\$241,210</u>	<u>\$ 23,614,388</u>	<u>\$28,622,430</u>



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# Combining Financial Statements Proprietary Funds

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# Combining Statements of Net Assets

## Proprietary Funds – Internal Service

June 30, 2009

With Summarized Financial Information for 2008

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self-Insurance Plan	Total	
			2009	2008
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 9,571,269	\$10,358,029	\$ 19,929,298	\$ 2,096,684
Investments	12,565,120	27,416,896	39,982,016	73,785,655
Miscellaneous receivables	<u>1,888,508</u>	<u>320,869</u>	<u>2,209,377</u>	<u>1,983,597</u>
Total current assets	<u>24,024,897</u>	<u>38,095,794</u>	<u>62,120,691</u>	<u>77,865,936</u>
Noncurrent assets				
Investments	14,343,345	30,173,974	44,517,319	19,273,884
Restricted investments	<u>100,000</u>	<u>200,000</u>	<u>300,000</u>	<u>300,000</u>
Total noncurrent assets	<u>14,443,345</u>	<u>30,373,974</u>	<u>44,817,319</u>	<u>19,573,884</u>
<b>Total assets</b>	<u><b>38,468,242</b></u>	<u><b>68,469,768</b></u>	<u><b>106,938,010</b></u>	<u><b>97,439,820</b></u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	2,991,355	199,121	3,190,476	1,421,214
Deferred revenue	7,752,699	---	7,752,699	7,207,310
Pending self-insurance claims	---	14,514,000	14,514,000	10,766,244
Incurred but not reported claims	<u>12,000,000</u>	<u>2,811,000</u>	<u>14,811,000</u>	<u>16,040,665</u>
Total current liabilities	<u>22,744,054</u>	<u>17,524,121</u>	<u>40,268,175</u>	<u>35,435,433</u>
Noncurrent liabilities				
Pending self-insurance claims	---	43,102,443	43,102,443	37,936,196
Incurred but not reported claims	---	<u>8,349,000</u>	<u>8,349,000</u>	<u>12,828,335</u>
Total noncurrent liabilities	---	<u>51,451,443</u>	<u>51,451,443</u>	<u>50,764,531</u>
<b>Total liabilities</b>	<u><b>22,744,054</b></u>	<u><b>68,975,564</b></u>	<u><b>91,719,618</b></u>	<u><b>86,199,964</b></u>
<b>Net Assets</b>				
Restricted net assets	100,000	200,000	300,000	300,000
Unrestricted net assets	<u>15,624,188</u>	<u>(705,796)</u>	<u>14,918,392</u>	<u>10,939,856</u>
<b>Total net assets</b>	<u><b>\$15,724,188</b></u>	<u><b>\$ (505,796)</b></u>	<u><b>\$ 15,218,392</b></u>	<u><b>\$11,239,856</b></u>



# Combining Statements of Revenues, Expenses and Changes in Net Assets

## Proprietary Funds – Internal Service

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self-Insurance Plan	Total	
			2009	2008
<b>Operating Revenues</b>				
Self-insurance premiums				
Highway workers' compensation	\$ ---	\$ 5,000,000	\$ 5,000,000	\$ 1,742,267
Highway patrol workers' compensation	---	3,000,000	3,000,000	3,000,000
Highway fleet vehicle liability	---	---	---	---
Highway general liability	---	6,700,000	6,700,000	6,699,996
Medical insurance premiums				
State	77,527,565	---	77,527,565	71,095,933
Member	29,047,218	---	29,047,218	26,534,016
Other	6,083,249	374,916	6,458,165	5,619,398
<b>Total operating revenues</b>	<u>112,658,032</u>	<u>15,074,916</u>	<u>127,732,948</u>	<u>114,691,610</u>
<b>Operating Expenses</b>				
Self-insurance programs				
Highway workers' compensation	---	8,324,511	8,324,511	9,298,019
Highway patrol workers' compensation	---	4,721,599	4,721,599	5,385,067
Highway fleet vehicle liability	---	1,396,991	1,396,991	2,023,887
Highway general liability	---	4,018,529	4,018,529	14,741,382
Other	---	748,744	748,744	654,798
Medical and life insurance program				
Insurance premiums	6,351,102	---	6,351,102	6,672,934
Medical benefits	77,763,567	---	77,763,567	76,571,749
Prescription drug benefits	17,873,985	---	17,873,985	17,873,541
Professional fees	1,634,455	---	1,634,455	1,505,035
Administrative services	5,176,172	---	5,176,172	4,079,004
Other	14,195	---	14,195	46,782
<b>Total operating expenses</b>	<u>108,813,476</u>	<u>19,210,374</u>	<u>128,023,850</u>	<u>138,852,198</u>
<b>Operating income (loss)</b>	<u>3,844,556</u>	<u>(4,135,458)</u>	<u>(290,902)</u>	<u>(24,160,588)</u>
<b>Nonoperating Revenues</b>				
Net appreciation and investment income	1,152,194	3,117,244	4,269,438	4,746,447
<b>Total nonoperating revenues</b>	<u>1,152,194</u>	<u>3,117,244</u>	<u>4,269,438</u>	<u>4,746,447</u>
<b>Changes in Net Assets</b>	4,996,750	(1,018,214)	3,978,536	(19,414,141)
<b>Net Assets, beginning of year</b>	<u>10,727,438</u>	<u>512,418</u>	<u>11,239,856</u>	<u>30,653,997</u>
<b>Net Assets, end of year</b>	<u>\$ 15,724,188</u>	<u>\$ (505,796)</u>	<u>\$ 15,218,392</u>	<u>\$ 11,239,856</u>

# Combining Statements of Cash Flows

## Proprietary Funds – Internal Service

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self-Insurance Plan	Total	
			2009	2008
<b>Cash Flows From Operating Activities</b>				
Receipts from interfund services provided	\$ 112,133,286	\$ 15,135,538	\$ 127,268,824	\$ 115,034,686
Payments for interfund services used	(101,843,265)	(14,856,627)	(116,699,892)	(116,585,513)
Payments to suppliers	(5,244,706)	(559,598)	(5,804,304)	(6,812,945)
Net cash provided by (used in) operating activities	5,045,315	(280,687)	4,764,628	(8,363,772)
<b>Cash Flows From Investing Activities</b>				
Proceeds from sale and maturities of investments	44,785,405	95,356,947	140,142,352	291,084,764
Purchase of investments	(43,156,500)	(87,595,742)	(130,752,242)	(288,656,100)
Interest received	1,057,940	2,715,981	3,773,921	4,224,437
Investment fees	(27,186)	(68,859)	(96,045)	(98,895)
Net cash provided by (used in) investing activities	2,659,659	10,408,327	13,067,986	6,554,206
<b>Net increase (decrease) in cash and cash equivalents</b>	7,704,974	10,127,640	17,832,614	(1,809,566)
<b>Cash and Cash Equivalents, beginning of year</b>	1,866,295	230,389	2,096,684	3,906,250
<b>Cash and Cash Equivalents, end of year</b>	\$ 9,571,269	\$ 10,358,029	\$ 19,929,298	\$ 2,096,684
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ 3,844,556	\$ (4,135,458)	\$ (290,902)	\$ (24,160,588)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Receivables	(524,746)	60,622	(464,124)	343,076
Prepaid expenses	---	---	---	116,999
Accounts payable	1,180,116	3,794,149	4,974,265	14,612,563
Deferred revenue	545,389	---	545,389	724,178
Net cash provided by (used in) operating activities	\$ 5,045,315	\$ (280,687)	\$ 4,764,628	\$ (8,363,772)
<b>Noncash Items Impacting Recorded Assets</b>				
Increase in fair value of investments	\$ 151,247	\$ 678,659	\$ 829,906	\$ 906,376

# Combining Financial Statements Fiduciary Funds

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# Combining Statements of Assets and Liabilities

## Fiduciary Funds – Agency

June 30, 2009

With Summarized Financial Information for 2008

	<u>Local Fund</u>	<u>MCS Agency Fund</u>	<u>Total</u>	
			<u>2009</u>	<u>2008</u>
<b>Assets</b>				
Cash and cash equivalents	\$24,547,845	\$4,525,832	\$29,073,677	\$ 9,163,883
Noncurrent restricted investments	42,788,621	---	42,788,621	42,313,215
Other	<u>195,645</u>	<u>688</u>	<u>196,333</u>	<u>438,348</u>
<b>Total assets</b>	<u>\$67,532,111</u>	<u>\$4,526,520</u>	<u>\$72,058,631</u>	<u>\$51,915,446</u>
<b>Liabilities</b>				
Due to other governments	\$ ---	\$4,526,520	\$ 4,526,520	\$ 7,232,688
Advances from other governments	<u>67,532,111</u>	<u>---</u>	<u>67,532,111</u>	<u>44,682,758</u>
<b>Total liabilities</b>	<u>\$67,532,111</u>	<u>\$4,526,520</u>	<u>\$72,058,631</u>	<u>\$51,915,446</u>

# Combining Statements of Changes in Assets and Liabilities

## Fiduciary Funds – Agency

Years ended June 30, 2009 and 2008

	2009			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Local Fund</b>				
Assets				
Cash and cash equivalents	\$ 1,964,395	\$187,630,873	\$165,047,423	\$24,547,845
Noncurrent restricted investments	42,313,215	130,726,178	130,250,772	42,788,621
Other	405,148	1,588,518	1,798,021	195,645
<b>Total assets</b>	<u>\$44,682,758</u>	<u>\$319,945,569</u>	<u>\$297,096,216</u>	<u>\$67,532,111</u>
Liabilities				
Advances from other governments	\$44,682,758	\$ 55,582,080	\$ 32,732,727	\$67,532,111
<b>Total liabilities</b>	<u>\$44,682,758</u>	<u>\$ 55,582,080</u>	<u>\$ 32,732,727</u>	<u>\$67,532,111</u>
<b>MCS Agency Fund</b>				
Assets				
Cash and cash equivalents	\$ 7,199,488	\$185,125,533	\$187,799,189	\$ 4,525,832
Other	33,200	137,910	170,422	688
<b>Total assets</b>	<u>\$ 7,232,688</u>	<u>\$185,263,443</u>	<u>\$187,969,611</u>	<u>\$ 4,526,520</u>
Liabilities				
Due to other governments	\$ 7,232,688	\$185,263,443	\$187,969,611	\$ 4,526,520
<b>Total liabilities</b>	<u>\$ 7,232,688</u>	<u>\$185,263,443</u>	<u>\$187,969,611</u>	<u>\$ 4,526,520</u>
<b>Totals</b>				
Assets				
Cash and cash equivalents	\$ 9,163,883	\$372,756,406	\$352,846,612	\$29,073,677
Noncurrent restricted investments	42,313,215	130,726,178	130,250,772	42,788,621
Other	438,348	1,726,428	1,968,443	196,333
<b>Total assets</b>	<u>\$51,915,446</u>	<u>\$505,209,012</u>	<u>\$485,065,827</u>	<u>\$72,058,631</u>
Liabilities				
Due to other governments	\$ 7,232,688	\$185,263,443	\$187,969,611	\$ 4,526,520
Advances from other governments	44,682,758	55,582,080	32,732,727	67,532,111
<b>Total liabilities</b>	<u>\$51,915,446</u>	<u>\$240,845,523</u>	<u>\$220,702,338</u>	<u>\$72,058,631</u>

---

2008			
<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
\$ 1,476,848	\$241,011,486	\$240,523,939	\$ 1,964,395
19,675,200	220,075,707	197,437,692	42,313,215
<u>130,083</u>	<u>651,463</u>	<u>376,398</u>	<u>405,148</u>
<u>\$21,282,131</u>	<u>\$461,738,656</u>	<u>\$438,338,029</u>	<u>\$44,682,758</u>
<u>\$21,282,131</u>	<u>\$ 43,235,476</u>	<u>\$ 19,834,849</u>	<u>\$44,682,758</u>
<u>\$21,282,131</u>	<u>\$ 43,235,476</u>	<u>\$ 19,834,849</u>	<u>\$44,682,758</u>
\$11,749,973	\$190,092,039	\$194,642,524	\$ 7,199,488
<u>81,853</u>	<u>806,893</u>	<u>855,546</u>	<u>33,200</u>
<u>\$11,831,826</u>	<u>\$190,898,932</u>	<u>\$195,498,070</u>	<u>\$ 7,232,688</u>
<u>\$11,831,826</u>	<u>\$190,898,932</u>	<u>\$195,498,070</u>	<u>\$ 7,232,688</u>
<u>\$11,831,826</u>	<u>\$190,898,932</u>	<u>\$195,498,070</u>	<u>\$ 7,232,688</u>
\$13,226,821	\$431,103,525	\$435,166,463	\$ 9,163,883
19,675,200	220,075,707	197,437,692	42,313,215
<u>211,936</u>	<u>1,458,356</u>	<u>1,231,944</u>	<u>438,348</u>
<u>\$33,113,957</u>	<u>\$652,637,588</u>	<u>\$633,836,099</u>	<u>\$51,915,446</u>
<u>\$11,831,826</u>	<u>\$190,898,932</u>	<u>\$195,498,070</u>	<u>\$ 7,232,688</u>
<u>21,282,131</u>	<u>43,235,476</u>	<u>19,834,849</u>	<u>44,682,758</u>
<u>\$33,113,957</u>	<u>\$234,134,408</u>	<u>\$215,332,919</u>	<u>\$51,915,446</u>



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# Budgetary Comparison Schedules and Reconciliations Debt Service and Nonmajor Governmental Funds

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# Budgetary Comparison Schedule and Reconciliation

## Debt Service – State Road Bond Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 14,410,327	\$ 14,410,327	\$ ---	\$ ---
Resources (inflows)				
Vehicle sales and use tax	118,743,000	91,013,245	(27,729,755)	3,446,907
Interest	<u>1,617,000</u>	<u>760,600</u>	<u>(856,400)</u>	<u>79,017</u>
<b>Amount available for appropriation</b>	<u>134,770,327</u>	<u>106,184,172</u>	<u>(28,586,155)</u>	<u>3,525,924</u>
Charges to appropriations (outflows)				
Bond principal and interest payments	<u>118,743,000</u>	<u>87,422,406</u>	<u>31,320,594</u>	<u>28,775,728</u>
<b>Total charges to appropriations</b>	<u>118,743,000</u>	<u>87,422,406</u>	<u>31,320,594</u>	<u>28,775,728</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 16,027,327</u>	<u>\$ 18,761,766</u>	<u>\$ 2,734,439</u>	<u>\$32,301,652</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$18,761,766	\$14,410,327
Receivables	8,245,649	10,413,656
Payables	(29,090)	(17,829)
Change in fair value of investments	<u>42,681</u>	<u>(983)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$27,021,006</u>	<u>\$24,805,171</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – Multimodal Federal and Missouri General Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 1,359,916	\$ 1,359,916	\$ ---	\$ ---
Resources (inflows)				
State appropriations	24,892,698	16,247,867	(8,644,831)	(2,939,087)
Intergovernmental/cost reimbursement/miscellaneous	---	1,585,761	1,585,761	1,601,757
American Recovery and Reinvestment Act	7,250,000	---	(7,250,000)	---
Federal government	<u>41,223,000</u>	<u>49,069,569</u>	<u>7,846,569</u>	<u>4,346,467</u>
<b>Amount available for appropriation</b>	<u>74,725,614</u>	<u>68,263,113</u>	<u>(6,462,501)</u>	<u>3,009,137</u>
Charges to appropriations (outflows)				
Maintenance				
Personal service	67,337	57,012	10,325	---
Expense and equipment	16,040	13,115	2,925	---
Multimodal operations				
Personal service	539,586	388,788	150,798	161,944
Fringe benefits	275,470	206,562	68,908	63,568
Expense and equipment	478,500	305,232	173,268	258,167
Program	142,784,675	66,827,438	75,957,237	56,564,036
Mississippi Parkway Commission				
Program	<u>50,000</u>	<u>15,714</u>	<u>34,286</u>	<u>---</u>
<b>Total charges to appropriations</b>	<u>144,211,608</u>	<u>67,813,861</u>	<u>76,397,747</u>	<u>57,047,715</u>
Transfer from Federal Stimulus Fund	<u>11,500,000</u>	<u>---</u>	<u>(11,500,000)</u>	<u>---</u>
<b>Budgetary fund balance, end of year</b>	<u>\$(57,985,994)</u>	<u>\$ 449,252</u>	<u>\$ 58,435,246</u>	<u>\$ 60,056,852</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$ 449,252	\$ 1,359,916
Receivables	6,715,671	3,648,453
Due from other funds	1,131,685	---
Payables	(7,657,213)	(3,669,331)
Deferred revenues	(26,705)	(900,441)
Due to other funds	<u>(14,967)</u>	<u>(15,550)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$ 597,723</u>	<u>\$ 423,047</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental - State Transportation Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$1,302,771	\$1,302,771	\$ ---	\$ ---
Resources (inflows)				
Sales and use taxes	2,700,000	2,426,303	(273,697)	(64,413)
Interest	---	70	70	1,087
Intergovernmental/cost reimbursements/miscellaneous	---	---	---	227
<b>Amount available for appropriation</b>	<u>4,002,771</u>	<u>3,729,144</u>	<u>(273,627)</u>	<u>(63,099)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	159,835	139,633	20,202	11,547
Fringe benefits	79,468	65,125	14,343	3,805
Expense and equipment	61,346	36,106	25,240	27,068
Program	<u>2,925,000</u>	<u>2,881,346</u>	<u>43,654</u>	<u>---</u>
<b>Total charges to appropriations</b>	<u>3,225,649</u>	<u>3,122,210</u>	<u>103,439</u>	<u>42,420</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 777,122</u>	<u>\$ 606,934</u>	<u>\$(170,188)</u>	<u>\$ (20,679)</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$606,934	\$1,302,771
Receivables	217,248	274,439
Payables	(8,611)	(9,440)
Due to other funds	<u>(4,548)</u>	<u>(4,596)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$811,023</u>	<u>\$1,563,174</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental - Aviation Trust Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$16,325,259	\$16,325,259	\$ ---	\$ ---
Resources (inflows)				
Fuel taxes	300,000	196,732	(103,268)	(13,261)
Sales and use taxes	5,700,000	4,777,063	(922,937)	2,963,668
Interest	653,863	414,429	(239,434)	145,533
Intergovernmental/cost reimbursements/miscellaneous	---	3,060	3,060	---
<b>Amount available for appropriation</b>	<u>22,979,122</u>	<u>21,716,543</u>	<u>(1,262,579)</u>	<u>3,095,940</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	482,604	470,404	12,200	21,811
Fringe benefits	266,467	252,742	13,725	5,990
Expense and equipment	391,894	391,894	---	---
Program	10,500,000	6,186,361	4,313,639	3,942,015
Other state agenices	43,660	43,660	---	---
<b>Total charges to appropriations</b>	<u>11,684,625</u>	<u>7,345,061</u>	<u>4,339,564</u>	<u>3,969,816</u>
<b>Budgetary fund balance, end of year</b>	<u>\$11,294,497</u>	<u>\$14,371,482</u>	<u>\$3,076,985</u>	<u>\$7,065,756</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$14,371,482	\$16,325,259
Receivables	285,065	776,044
Payables	(1,234,925)	(400,501)
Due to other funds	(13,788)	(15,357)
Change in fair value of investments	<u>45,461</u>	<u>34,876</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$13,453,295</u>	<u>\$16,720,321</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – State Transportation Assistance Revolving Fund

Year Ended June 30, 2009  
With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 1,120,292	\$ 1,120,292	\$ ---	\$ ---
Resources (inflows)				
Interest	75,941	95,274	19,333	53,292
Intergovernmental/cost reimbursements/miscellaneous	<u>529,000</u>	<u>465,114</u>	<u>(63,886)</u>	<u>(85,223)</u>
<b>Amount available for appropriation</b>	<u>1,725,233</u>	<u>1,680,680</u>	<u>(44,553)</u>	<u>(31,931)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Program	975,000	975,000	---	4,900
Other state agencies	<u>2,608</u>	<u>2,608</u>	<u>---</u>	<u>---</u>
<b>Total charges to appropriations</b>	<u>977,608</u>	<u>977,608</u>	<u>---</u>	<u>4,900</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 747,625</u>	<u>\$ 703,072</u>	<u>\$(44,553)</u>	<u>\$ (27,031)</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$ 703,072	\$1,120,292
Receivables	2,846,084	2,335,343
Change in fair value of investments	<u>\$ 2,223</u>	<u>2,393</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$3,551,379</u>	<u>\$3,458,028</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – MCS Federal Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 83,320	\$ 83,320	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost				
reimbursements/miscellaneous	---	21,348	21,348	17,534
Federal government	<u>2,000,000</u>	<u>1,227,257</u>	<u>(772,743)</u>	<u>(210,888)</u>
<b>Amount available for appropriation</b>	<u>2,083,320</u>	<u>1,331,925</u>	<u>(751,395)</u>	<u>(193,354)</u>
Charges to appropriations (outflows)				
Maintenance				
Program	<u>2,000,000</u>	<u>1,226,107</u>	<u>(773,893)</u>	<u>266,995</u>
<b>Total charges to appropriations</b>	<u>2,000,000</u>	<u>1,226,107</u>	<u>(773,893)</u>	<u>266,995</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 83,320</u>	<u>\$ 105,818</u>	<u>\$ 22,498</u>	<u>\$ 73,641</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$ 105,818	\$ 83,320
Receivables	111,298	222,048
Payables	<u>(111,298)</u>	<u>(220,114)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$ 105,818</u>	<u>\$ 85,254</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – Grade Crossing Safety Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$5,961,035	\$5,961,035	\$ ---	\$ ---
Resources (inflows)				
License, fees, and permits	1,300,000	1,409,774	109,774	(247,969)
Interest	---	---	---	480
Intergovernmental/cost reimbursements/miscellaneous	---	42,105	42,105	5,410
<b>Amount available for appropriation</b>	<u>7,261,035</u>	<u>7,412,914</u>	<u>151,879</u>	<u>(242,079)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Program	4,982,250	2,408,872	2,573,378	4,007,358
Other state agencies	15,554	15,554	---	---
<b>Total charges to appropriations</b>	<u>4,997,804</u>	<u>2,424,426</u>	<u>2,573,378</u>	<u>4,007,358</u>
Transfer to Railroad Expense Fund	(100,000)	---	100,000	100,000
<b>Budgetary fund balance, end of year</b>	<u>\$2,163,231</u>	<u>\$4,988,488</u>	<u>\$2,825,257</u>	<u>\$3,765,279</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$4,988,488	\$5,961,035
Receivables	172,747	76,687
Payables	(26,610)	(316,553)
Deferred revenues	(35,383)	(11,599)
<b>GAAP basis fund balance, end of year</b>	<u>\$5,099,242</u>	<u>\$5,709,570</u>



# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – Railroad Expense Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 389,235	\$ 389,235	\$ ---	\$ ---
Resources (inflows)				
License, fees, and permits	800,000	1,220,731	420,731	(141,092)
Intergovernmental/cost reimbursements/miscellaneous	---	764	764	66,941
<b>Amount available for appropriation</b>	<u>1,189,235</u>	<u>1,610,730</u>	<u>421,495</u>	<u>(74,151)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	446,612	369,243	77,369	73,797
Fringe benefits	263,972	184,259	79,713	69,521
Expense and equipment	253,953	129,036	124,917	124,856
Other state agencies	8,921	8,921	---	---
<b>Total charges to appropriations</b>	<u>973,458</u>	<u>691,459</u>	<u>281,999</u>	<u>268,174</u>
Transfer from Grade Crossing Safety Fund	<u>100,000</u>	<u>---</u>	<u>(100,000)</u>	<u>(100,000)</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 315,777</u>	<u>\$ 919,271</u>	<u>\$ 603,494</u>	<u>\$ 194,023</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$ 919,271	\$ 389,235
Payables	(28,151)	(24,543)
Deferred revenues	(632,048)	(168,399)
Due to other funds	<u>(14,684)</u>	<u>(13,457)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$ 244,388</u>	<u>\$ 182,836</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – Highway Safety Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$ 181,344	\$ 181,344	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost				
reimbursements/miscellaneous	---	9,044	9,044	11,307
Federal government	<u>26,000,000</u>	<u>22,833,994</u>	<u>(3,166,006)</u>	<u>(12,330,061)</u>
<b>Amount available for appropriation</b>	<u>26,181,344</u>	<u>23,024,382</u>	<u>(3,156,962)</u>	<u>(12,318,754)</u>
Charges to appropriations (outflows)				
Maintenance				
Personal service	356,502	322,534	33,968	19,972
Fringe benefits	193,839	156,848	36,991	34,076
Expense and equipment	55,000	54,974	26	136
Program	<u>30,000,000</u>	<u>22,233,621</u>	<u>7,766,379</u>	<u>4,732,011</u>
<b>Total charges to appropriations</b>	<u>30,605,341</u>	<u>22,767,977</u>	<u>7,837,364</u>	<u>4,786,195</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ (4,423,997)</u>	<u>\$ 256,405</u>	<u>\$ 4,680,402</u>	<u>\$ (7,532,559)</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$ 256,405	\$ 181,344
Receivables	3,162,434	2,294,668
Payables	(1,889,115)	(1,428,034)
Deferred revenues	(773,899)	---
Due to other funds	<u>(1,245,515)</u>	<u>(784,108)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$ (489,690)</u>	<u>\$ 263,870</u>

# Budgetary Comparison Schedule and Reconciliation

## Nonmajor Governmental – Motorcycle Safety Fund

Year Ended June 30, 2009

With Summarized Financial Information for 2008

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2009	2008
<b>Budgetary fund balance, beginning of year</b>	\$241,826	\$241,826	\$ ---	\$ ---
Resources (inflows)				
License, fees, and permits	<u>425,000</u>	<u>382,891</u>	<u>(42,109)</u>	<u>(30,033)</u>
<b>Amount available for appropriation</b>	<u>666,826</u>	<u>624,717</u>	<u>(42,109)</u>	<u>(30,033)</u>
Charges to appropriations (outflows)				
Maintenance				
Program	425,000	378,890	46,110	---
Other state agencies	<u>4,617</u>	<u>4,617</u>	<u>---</u>	<u>---</u>
<b>Total charges to appropriations</b>	<u>429,617</u>	<u>383,507</u>	<u>46,110</u>	<u>---</u>
<b>Budgetary fund balance, end of year</b>	<u>\$237,209</u>	<u>\$241,210</u>	<u>\$ 4,001</u>	<u>\$ (30,033)</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2009	Actual 2008
<b>Budgetary fund balance, end of year</b>	\$241,210	\$241,826
Payables	<u>---</u>	<u>(25,496)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$241,210</u>	<u>\$216,330</u>



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# Statistical Section

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# Index and Overview

## Statistical Section

### **Financial Trends**

*These schedules are intended to assist in understanding and assessing the Department's financial performance over time.*

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*These schedules are intended to assist in understanding the environment in which The Department's financial activities take place.*

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*These schedules are intended to provide information about the Department's services and infrastructure.*

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#### **Sources:**

Unless otherwise stated, information in the following tables is derived from the Missouri Department of Transportation (MoDOT) annual financial reports for the years shown.

#### **Note:**

The objective of this statistical section is to provide users with historical perspective by presenting information for multiple years. Over time, data for the most recent ten years will be presented. In fiscal year 2002, the Department implemented Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; consequently, schedules presenting government-wide information commence with that year. In other cases, schedules originate with the year that the Department began tracking the information, the tracking process or data collection system changed, or it became administratively feasible to report retroactively.



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# Financial Trends

## Net Assets – Government-wide

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Invested in capital assets, net of related debt</u>	<u>Restricted</u>	<u>Total</u>
2009	\$24,458,155	\$ 678,642	\$25,136,797
2008	23,945,040	1,061,821	25,006,861
2007	24,016,417	788,665	24,805,082
2006	24,341,909	401,282	24,743,191
2005	24,234,053	387,012	24,621,065
2004	23,952,946	511,414	24,464,360
2003	23,937,412	457,734	24,395,146
2002	23,967,986	390,330	24,358,316

*Note:*

Amounts for 2003 and 2004 include the restatement of beginning balances due to transfers of Motor Carriers and Highway Safety functions from other state agencies.

# Financial Trends

## Changes in Net Assets – Government-wide

Years Ended June 30

(Amounts in Thousands)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Transportation Program Expenses</b>			
Administration	\$ 34,834	\$ 33,645	\$ 38,887
Fleet, facilities, and information systems	55,168	56,721	54,400
Maintenance	424,327	406,374	378,902
Construction	257,943	240,821	273,086
Multimodal operations	85,999	74,128	71,268
Interest	106,538	102,344	75,228
Other state agencies	174,587	178,319	169,906
Missouri Constitution Article X refunds	---	---	---
Self-insurance	19,210	32,103	7,854
Medical and life insurance	89,774	87,710	102,642
Other postemployment benefits	65,804	69,731	---
Depreciation	<u>749,654</u>	<u>746,456</u>	<u>849,957</u>
<b>Total transportation program expenses</b>	<u>2,063,838</u>	<u>2,028,352</u>	<u>2,022,130</u>
<b>Transportation Program Revenues</b>			
Charges for services			
Licenses, fees, and permits	290,399	291,843	259,086
Employee insurance premiums	29,047	26,534	25,369
Other	<u>160,012</u>	<u>86,719</u>	<u>67,816</u>
Total charges for services	479,458	405,096	352,271
Federal government			
American Recovery and Reinvestment Act	28,279	---	---
Operating	76,569	62,179	78,588
Capital	<u>833,839</u>	<u>907,956</u>	<u>797,196</u>
Total federal government	<u>938,687</u>	<u>970,135</u>	<u>875,784</u>
<b>Total transportation program revenues</b>	<u>1,418,145</u>	<u>1,375,231</u>	<u>1,228,055</u>
<b>Net expense of transportation program</b>	<u>(645,693)</u>	<u>(653,121)</u>	<u>(794,075)</u>
<b>General Revenues</b>			
Fuel taxes	499,506	514,908	517,648
Sales and use taxes	233,810	272,039	275,259
Unrestricted investment earnings	27,607	51,581	49,301
State appropriations	16,634	13,257	12,283
Donated assets	---	---	441
Gain (loss) on sale of capital assets	<u>(1,928)</u>	<u>3,115</u>	<u>1,034</u>
<b>Total general revenues</b>	<u>775,629</u>	<u>854,900</u>	<u>855,966</u>
<b>Changes in Net Assets</b>	<u>\$ 129,936</u>	<u>\$ 201,779</u>	<u>\$ 61,891</u>

Note:

Government-wide financial statements are prepared on a full accrual basis and include transactions related to capital assets and long-term obligations. These statements also include the effects of eliminating off-setting revenues and expenses related to the Department's internal service funds.

---

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 30,838	\$ 29,703	\$ 29,318	\$ 37,040	\$ 39,832
53,222	55,976	43,603	53,789	59,672
362,163	375,323	314,965	271,003	255,408
165,494	210,298	197,761	223,029	225,074
60,530	52,978	46,880	46,607	50,725
53,543	43,465	39,276	33,366	20,505
146,969	178,506	166,271	165,215	166,295
---	---	---	133	---
27,387	21,998	15,916	15,502	20,977
92,952	82,474	68,194	64,209	54,257
---	---	---	---	---
<u>829,556</u>	<u>689,699</u>	<u>771,756</u>	<u>913,227</u>	<u>992,712</u>
<u>1,822,654</u>	<u>1,740,420</u>	<u>1,693,940</u>	<u>1,823,120</u>	<u>1,885,457</u>
299,892	282,058	268,830	272,755	261,831
26,216	26,024	23,909	21,504	21,191
<u>46,165</u>	<u>41,838</u>	<u>74,598</u>	<u>80,109</u>	<u>60,145</u>
372,273	349,920	367,337	374,368	343,167
---	---	---	---	---
61,630	57,497	43,050	24,569	22,190
<u>768,173</u>	<u>770,568</u>	<u>660,350</u>	<u>742,415</u>	<u>809,268</u>
<u>829,803</u>	<u>828,065</u>	<u>703,400</u>	<u>766,984</u>	<u>831,458</u>
<u>1,202,076</u>	<u>1,177,985</u>	<u>1,070,737</u>	<u>1,141,352</u>	<u>1,174,625</u>
<u>(620,578)</u>	<u>(562,435)</u>	<u>(623,203)</u>	<u>(681,768)</u>	<u>(710,832)</u>
522,896	518,990	515,048	497,781	495,629
182,465	181,462	180,213	178,057	185,895
24,450	5,352	(12,846)	16,865	18,210
11,453	11,769	11,299	10,389	17,385
4	---	162	13,277	---
<u>1,436</u>	<u>1,567</u>	<u>(2,238)</u>	<u>(3,117)</u>	<u>---</u>
<u>742,704</u>	<u>719,140</u>	<u>691,638</u>	<u>713,252</u>	<u>717,119</u>
<u>\$ 122,126</u>	<u>\$ 156,705</u>	<u>\$ 68,435</u>	<u>\$ 31,484</u>	<u>\$ 6,287</u>

## Financial Trends

### Changes in Fund Balances—Governmental Funds

Years Ended June 30

(Amounts in Thousands)

	2009	2008	2007
<b>Revenues</b>			
Fuel taxes	\$ 499,506	\$ 514,908	\$ 517,648
Sales and use taxes	234,599	270,339	275,259
Licenses, fees, and permits	290,925	290,709	259,086
Intergovernmental/cost reimbursements/miscellaneous	139,105	80,668	89,997
Investment earnings	23,417	46,890	44,388
American Recovery and Reinvestment Act	28,279	---	---
State government	16,634	13,257	12,283
Federal government	909,634	970,135	877,795
<b>Total revenues</b>	<b>2,142,099</b>	<b>2,186,906</b>	<b>2,076,456</b>
<b>Expenditures</b>			
Administration	49,224	46,822	45,797
Fleet, facilities, and information systems	57,691	58,933	58,759
Maintenance	466,143	433,653	436,796
Construction	273,099	264,693	300,579
Multimodal operations	86,202	74,303	71,485
Capital outlay	1,306,613	1,143,496	1,248,304
Debt service - principal	103,123	88,097	105,630
Debt service - interest	115,468	109,730	89,997
Missouri Constitution Article X refunds	---	---	---
Other state agencies	197,248	199,237	189,409
<b>Total expenditures</b>	<b>2,654,811</b>	<b>2,418,964</b>	<b>2,546,756</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(512,712)</b>	<b>(232,058)</b>	<b>(470,300)</b>
<b>Other Financing Sources (Uses)</b>			
Notes issued	1,856	4,539	406
Bonds issued	142,735	526,800	800,000
Refunding bonds issued	---	---	394,870
Refunding bonds escrow payment	---	---	(432,408)
Bond interest rate swap	---	(11,118)	---
Premium on bonds	2,835	27,808	73,180
Discount on bonds	---	(170)	---
Capital leases issued	581	763	1,355
Refinancing capital leases issued	---	22,985	---
Capital lease termination payment	---	(22,559)	---
Capital asset sales	6,830	8,705	8,679
Transfers in	555,389	574,864	523,744
Transfers out	(555,389)	(574,864)	(523,744)
<b>Total other financing sources (uses)</b>	<b>154,837</b>	<b>557,753</b>	<b>846,082</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (357,875)</b>	<b>\$ 325,695</b>	<b>\$ 375,782</b>
<b>Debt service as a percentage of noncapital expenditures</b>	16%	16%	15%
<b>Debt service as a percentage of total revenues</b>	10%	9%	9%

**Notes:**

Some amounts have been recategorized for comparability.

Governmental fund financial statements are prepared on a modified accrual basis to report changes in net current financial resources. These statements differ from cash-based budget reports primarily because revenues are recognized if they are collected within 60 days of the end of the fiscal year and expenditures are recorded when the related liability is incurred, except that certain long-term obligations are recognized to the extent they have matured.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 522,896	\$ 518,990	\$ 515,048	\$ 497,781	\$ 495,629
182,465	181,462	180,213	178,057	185,895
299,892	282,058	268,830	272,755	261,831
53,652	53,254	73,892	75,533	45,867
22,256	3,230	(12,812)	17,204	15,999
---	---	---	---	---
11,453	11,769	11,299	10,389	17,385
<u>827,791</u>	<u>828,065</u>	<u>703,400</u>	<u>766,984</u>	<u>831,458</u>
1,920,405	1,878,828	1,739,870	1,818,703	1,854,064
42,843	41,088	40,352	46,428	47,156
68,753	67,791	56,791	69,386	69,956
411,847	406,185	339,673	292,536	271,571
190,713	228,985	219,217	227,374	231,851
60,676	53,092	46,989	46,689	50,791
1,252,825	918,733	1,038,713	1,076,363	1,171,815
73,919	56,094	40,330	31,833	27,024
57,776	45,096	33,214	28,961	21,466
---	---	---	133	---
<u>169,726</u>	<u>194,682</u>	<u>180,851</u>	<u>177,369</u>	<u>182,133</u>
2,329,078	2,011,746	1,996,130	1,997,072	2,073,763
(408,673)	(132,918)	(256,260)	(178,369)	(219,699)
1,787	17,122	2,277	23,230	33,376
350,660	---	254,000	---	403,000
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
21,336	---	9,559	22	11,892
---	---	---	---	---
2,646	44,468	3,312	5,362	34,295
---	---	---	---	---
---	---	---	---	---
6,669	5,941	3,341	2,598	6,935
570,592	136,487	166,206	185,502	165,212
<u>(570,592)</u>	<u>(136,487)</u>	<u>(166,206)</u>	<u>(185,502)</u>	<u>(165,212)</u>
383,098	67,531	272,489	31,212	489,498
<u>\$ (25,575)</u>	<u>\$ (65,387)</u>	<u>\$ 16,229</u>	<u>\$ (147,157)</u>	<u>\$ 269,799</u>

12%	9%	8%	7%	5%
7%	5%	4%	3%	3%

# Financial Trends

## Fund Balances – Governmental Funds

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Reserved</u>	<u>Unreserved, Special Revenue</u>	<u>Unreserved, Debt Services</u>	<u>Total</u>
2009	\$ 139,089	\$ 602,416	\$ 27,021	\$ 768,526
2008	122,644	978,951	24,805	1,126,400
2007	116,356	664,305	20,044	800,705
2006	116,682	299,664	8,577	424,923
2005	139,366	311,132	---	450,498
2004	33,076	482,809	---	515,885
2003	28,299	470,566	---	498,865
2002	30,097	610,768	---	640,865
2001	35,529	331,457	---	366,986
2000	35,400	142,052	---	177,452

*Notes:*

Amounts for 2003 and 2004 include restatement of beginning balances due to transfers of Motor Carriers and Highway Safety functions from other state agencies.

Amounts for 2002 include the restatement of beginning balances due to the implementation of Governmental Accounting Standards Board Statement 34.

# Financial Trends

## Expenditures of Federal Awards

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Roads and Bridges</u>	<u>Multimodal</u>	<u>Motor Carriers</u>	<u>Highway Safety</u>	<u>Total</u>
2008	\$ 909,643	\$ 46,440	\$ 1,410	\$ 17,208	\$ 974,701
2007	800,933	47,658	1,327	34,637	884,555
2006	764,803	45,148	1,434	28,596	839,981
2005	764,091	34,203	2,733	20,057	821,084
2004	660,692	28,588	2,458	13,132	704,870
2003	742,640	27,633	1,175	---	771,448
2002	809,262	21,567	---	---	830,829

Source:

MoDOT Schedule of Expenditures of Federal Awards prepared for inclusion in the State Auditor's single audit report for the State of Missouri

Notes:

Includes State Emergency Management Agency amounts.

Fiscal year 2009 data is not yet available.

Motor Carriers and Highway Safety grants for fiscal years 2002, and 2002-2003, respectively, were reported with other state agencies.

# Revenue Capacity

## Revenue Base – State Motor Fuel Taxes

Years Ended June 30

(Amounts in Thousands)

Year	Gallons	Net State Receipts	Missouri Constitution Article X Refunds	Distribution		
				Cities	Counties	MoDOT
2009	4,002,068	\$ 680,862	\$ ---	\$ 101,685	\$ 79,750	\$ 499,427
2008	4,182,599	710,246	---	106,357	83,418	520,471
2007	4,141,906	704,071	---	105,875	83,036	515,160
2006	4,156,348	707,856	---	104,820	82,208	520,828
2005	4,182,914	710,343	---	106,890	83,831	519,622
2004	4,125,374	700,217	---	105,657	82,868	511,692
2003	4,005,507	679,397	437	101,791	79,832	497,337
2002	3,938,484	669,724	---	98,640	77,351	493,733
2001	3,834,656	653,674	7,307	98,426	77,192	470,749
2000	3,971,313	673,891	13,492	101,019	79,227	480,153

Source:

MoDOT Resource Management Division

Notes:

Amounts are provided on a cash basis.

Dollar amounts are shown net of motor fuel tax refunds.



## Revenue Capacity

### Revenue Rates – State Motor Fuel Taxes

Years Ended June 30

(Cents per Gallon)

<u>Year</u>	<u>Total Fuel Tax Rate</u>	<u>Local Governments</u>	<u>MoDOT</u>
2009	17.00	4.55	12.45
2008	17.00	4.55	12.45
2007	17.00	4.55	12.45
2006	17.00	4.55	12.45
2005	17.00	4.55	12.45
2004	17.00	4.55	12.45
2003	17.00	4.55	12.45
2002	17.00	4.55	12.45
2001	17.00	4.55	12.45
2000	17.00	4.55	12.45

*Source:*

MoDOT Resource Management Division

*Note:*

Motor fuel tax rates are established by Chapter 142, RSMo. Increases in these rates require a statutory change.

# Revenue Capacity

## Principal Revenue Suppliers

### State Motor Fuel Taxes

Year Ended June 30

(Amounts in Thousands)

	<u>2009</u>
Gallons from top ten suppliers	3,333,457
Net Revenue from top ten suppliers	\$ 566,688
Net Revenue from all suppliers	\$ 680,862
Percentage from top ten suppliers	83%

*Sources:*

Net revenue from top ten suppliers: Missouri Department of Revenue

Net revenue from all suppliers: MoDOT Resource Management Division

Remainder extrapolated

*Notes:*

Top ten supplier information is released by the Department of Revenue only in the aggregate. Information on individual suppliers is not available. There are 120 total suppliers.

Principal revenue payer information is to be reported comparatively for fiscal year 2009 and fiscal year 2000. However, information for fiscal year 2000 is not readily available from the Department of Revenue.

# Debt Capacity

## Legal Debt Limitations

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Legal Limitations</u>	<u>Debt Issued Applicable To Limit (cumulative par)</u>	<u>Legal Debt Margin (excess available)</u>	<u>Ratio of Debt To Legal Limit</u>
2009	\$ n/a	\$ ---	\$ ---	---%
2008	n/a	---	---	---
2007	n/a	---	---	---
2006	n/a	---	---	---
2005	2,250,000	907,000	1,343,000	40
2004	2,250,000	907,000	1,343,000	40
2003	2,250,000	653,000	1,597,000	29
2002	2,250,000	653,000	1,597,000	29
2001	2,250,000	250,000	2,000,000	11
2000	no authority	---	---	---

Source:

MoDOT Resource Management Division

Notes:

Legal debt limitations apply only to road revenue bonds.

Sections 226.133 and 226.134 RSMo, authorized the issuance of road revenue bonds from 2001 through 2006, with a legal limit of \$2.25 billion.

n/a = Article IV of the Missouri Constitution, amended in 2005, authorized the issuance of road revenue bonds, not subject to any legal limitations.

# Debt Capacity

## Ratios of Outstanding Debt

Years Ended June 30

(Amounts in Thousands)

Debt Outstanding at June 30				
<u>Year</u>	<u>Road Bonds</u>	<u>Loans</u>	<u>Capital Leases</u>	<u>Total</u>
2009	\$2,355,925	\$ 27,164	\$ 19,646	\$ 2,402,735
2008	2,298,080	34,042	28,443	2,360,565
2007	1,833,795	46,453	35,225	1,915,473
2006	1,119,885	68,376	43,505	1,231,766
2005	828,500	80,830	53,514	962,844
2004	861,000	95,249	17,221	973,470
2003	630,455	101,338	22,982	754,775
2002	646,390	93,069	28,674	768,133
2001	250,000	92,325	2,474	344,799
2000	---	91,508	782	92,290

*Sources:*

Personal Income: United States Department of Commerce, Bureau of Economic Analysis

Population: United States Department of Commerce, Census Bureau

*Notes:*

Personal income and population are reported on a calendar year basis within the applicable fiscal year.

---

<u>Ratio of Debt to Income</u>		<u>Ratio of Debt to Population</u>	
<u>Personal</u>	<u>Percentage of</u>		
<u>Income</u>	<u>Personal</u>	<u>Population</u>	<u>Per Capita</u>
<u>Income</u>	<u>Income</u>		
\$205,288,000	1.17%	5,912	\$ 406
198,757,000	1.19	5,878	402
188,399,000	1.02	5,838	328
178,036,000	0.69	5,788	213
170,392,000	0.57	5,745	168
164,163,000	0.59	5,706	171
160,014,000	0.47	5,676	133
155,843,000	0.49	5,642	136
149,979,000	0.23	5,606	62
140,867,000	0.07	5,468	17

# Debt Capacity

## Pledged Revenue Coverage Related to Revenue Bonds

Years Ended June 30

(Amounts in Thousands)

Year	Pledged Revenues			Debt Service on State Road Bonds			Debt Coverage Ratio
	Revenues	Operating Expenses	Net Pledged Revenues Available	Principal	Interest	Total	
2009	\$ 997,990	\$ 279,971	\$718,019	\$84,896	\$113,591	\$198,487	3.6
2008	1,049,645	279,823	769,822	62,515	105,105	167,620	4.6
2007	1,024,787	269,210	755,577	73,350	82,049	155,399	4.9
2006	973,087	245,217	727,870	59,275	53,122	112,397	6.5
2005	904,978	545,048	359,930	32,500	43,785	76,285	4.7
2004	893,734	501,226	392,508	23,455	31,086	54,541	7.2
2003	867,255	476,193	391,062	15,935	28,041	43,976	8.9
2002	865,950	467,158	398,792	6,610	18,488	25,098	15.9
2001	846,204	486,232	359,972	---	---	---	---
2000	848,666	446,244	402,422	---	---	---	---

Source:

MoDOT Controller's Division

Notes:

Certain prior year amounts were revised due to a change in source.

Amounts are presented on a cash basis.

Revenues consist of various percentages of the state motor fuel tax, sales and use taxes, and motor vehicle fees, as set by the State's constitution and statutes. Revenues are reported net of motor fuel tax refunds, and certain costs of collection.

Operating expenses consist of retirement benefit costs, the cost of enforcement of motor vehicle laws, and costs of other highway-related activities. Prior to fiscal year 2006, additional MoDOT operating expenses, principally personnel expenses and administrative costs, were paid from the highway fund.

# Demographic and Economic Information

## Population, Personal Income, and Unemployment Rate

Years Ended December 31

(Amounts in Thousands)

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	5,912	\$205,288,000	\$35	6.0%
2007	5,878	198,757,000	34	5.1
2006	5,838	188,399,000	32	5.2
2005	5,788	178,036,000	31	6.3
2004	5,745	170,392,000	30	5.9
2003	5,706	164,163,000	29	5.9
2002	5,676	160,014,000	28	5.7
2001	5,642	155,843,000	28	4.8
2000	5,606	149,979,000	27	3.2
1999	5,468	140,867,000	26	3.4

Sources:

Population: United States Department of Commerce, Census Bureau

Personal Income, Per Capita Personal Income, and Unemployment Rate: United States Department of Commerce, Bureau of Economic Analysis

# Demographic and Economic Information

## Employment Sectors

Years Ended December 31

(Amounts in Thousands)

	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
Trade, transportation, and utilities	552	1	20%	551	1	20%
Government	445	2	16	418	2	15
Education and health services	389	3	14	330	4	12
Professional and business services	343	4	12	312	5	11
Leisure and hospitality	295	5	10	269	6	10
Manufacturing	291	6	10	376	3	14
Financial activities	166	7	6	159	7	6
Construction, natural resources, and mining	157	8	6	146	8	5
Other services	121	9	4	113	9	4
Information	<u>64</u>	10	<u>2</u>	<u>75</u>	10	<u>3</u>
<b>Total</b>	<u>2,823</u>		<u>100%</u>	<u>2,749</u>		<u>100%</u>

Source:

United States Department of Labor, Bureau of Labor Statistics

Note:

Information on employers is provided at the more general level of employment sectors, rather than the top ten specific employers of the State of Missouri. This data is more relevant to the mission of a transportation system.



# Demographic and Economic Information

## Licensed Drivers with Population Data

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Licensed Drivers</u>	<u>Change in Licensed Drivers</u>	<u>Population</u>	<u>Change in Population</u>
2008	4,197	35	5,878	40
2007	4,162	22	5,838	50
2006	4,140	5	5,788	43
2005	4,135	87	5,745	39
2004	4,048	82	5,706	30
2003	3,966	35	5,676	34
2002	3,931	69	5,642	36
2001	3,862	6	5,606	138
2000	3,856	16	5,468	30
1999	3,840	---	5,438	---

*Sources:*

Licensed Drivers: Missouri Department of Revenue for federal reporting

Population: United States Department of Commerce, Census Bureau

*Notes:*

Fiscal year 2009 licensed drivers data is not yet available.

Licensed drivers data for 2001 and prior are reported on a calendar year basis.

Population is reported on a calendar year basis within the applicable fiscal year.

# Demographic and Economic Information

## Vehicle Registrations with Fuel Tax Receipts

Years Ended June 30

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Registrations</u>	<u>Percentage Change in Registrations</u>	<u>Net State Fuel Tax Receipts</u>	<u>Percentage Change in Fuel Tax Receipts</u>	<u>Fuel Tax Receipts per Registration</u>
2008	5,961	(0.6)%	\$ 710,246	0.9%	119
2007	5,997	(0.7)%	704,071	(0.5)	117
2006	6,040	7.1	707,856	(0.4)	117
2005	5,609	(1.9)	710,343	1.4	127
2004	5,715	13.0	700,217	3.0	123
2003	4,974	(7.8)	679,397	1.4	137
2002	5,362	10.1	669,724	2.4	125
2001	4,819	(3.3)	653,674	(3.1)	136
2000	4,980	4.3	673,891	5.0	135
1999	4,766	---	640,178	---	134

*Sources:*

Registrations: Missouri Department of Revenue, Missouri State Highway Patrol, and MoDOT for federal reporting

Fuel Tax Receipts: MoDOT Resource Management Division, cash basis

*Notes:*

Fiscal year 2009 registrations data is not yet available.

Registration data from 2001 and prior are reported on a calendar year basis.

# Operating Information

## Demand and Level of Service Indicators

Years Ended December 31

<u>Year</u>	<u>Daily Vehicle Miles Traveled (Amounts in Thousands)</u>			<u>Population (Amounts in Thousands)</u>	<u>Average Daily Miles Per Capita</u>
	<u>Non-State Highways</u>	<u>State Highways</u>	<u>Total Public Highways</u>		
2008	68,086	130,703	198,789	5,912	33.6
2007	69,150	134,149	203,299	5,878	34.6
2006	55,829	132,758	188,587	5,838	32.3
2005	55,763	132,604	188,367	5,788	32.5
2004	55,874	132,635	188,509	5,745	32.8
2003	55,162	130,945	186,107	5,706	32.6
2002	55,615	131,130	186,745	5,676	32.9

*Sources:*

Daily Vehicle Miles Traveled: MoDOT Transportation Planning Division

Population: United States Department of Commerce, Census Bureau

*Note:*

Certain 2007 data was revised by source

# Operating Information

## Demand and Level of Service Indicators

Years Ended December 31

Freight Tonnage By Mode (Amounts In Thousands)					Travel Information by Mode		
Year	Port	Motor Carrier (1)	Aviation	Rail	Number of Transit Passengers (2)	Number of Amtrak Rail Passengers (2)	Number of Business Capable Airports
2009	n/a-cy	n/a-cy	n/a-cy	n/a-cy	n/a-src	579,000	n/a-cy
2008	n/a-src	361,000	240	n/a-src	72,300,000	532,000	32
2007	2,300	444,000	260	410,000	68,200,000	433,000	30
2006	2,200	399,000	267	441,000	70,400,000	433,000	29
2005	2,300	418,000	278	400,000	66,000,000	422,000	29
2004	2,400	419,000	282	405,000	64,600,000	402,000	29
2003	2,400	385,000	290	395,000	65,100,000	390,000	27
2002	2,400	363,000	299	380,000	67,700,000	427,000	27

Source:

MoDOT Tracker – Measures of Departmental Performance

Notes:

(1) Motor carrier data may not directly reflect exact industry tonnage amounts and should only be used to indicate general industry trends.

(2) Measured on a fiscal year basis.

(3) In 2006, bond funding was not available for new construction.

(4) Measured in the fall of each year; current process began in 2005.

n/a-cy = not available - calendar year basis.

n/a-src = not available - external source provides data.

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<u>Road and Bridge Projects</u>		<u>Safety</u>		
<u>Number of Miles of New 4-lane Corridors Completed (3)</u>	<u>Percent of Projects Completed on Time (2)</u>	<u>Number of Fatalities from Traffic Crashes</u>	<u>Number of Disabling Injuries from Traffic Crashes</u>	<u>Percent of Major Roads' Stripes Meeting Expectations (4)</u>
n/a-cy	93%	n/a-cy	n/a-cy	n/a-cy
61	91	960	6,933	96%
30	88	992	7,743	96
15	76	1,096	8,150	95
57	73	1,257	8,624	93
63	72	1,130	8,857	n/a
73	71	1,232	8,730	n/a
45	73	1,208	9,156	n/a

## Operating Information

### Capital Asset Indicators <sup>(1)</sup>

Years Ended December 31

<u>Year</u>	<u>Centerline Miles (2)</u>	<u>Percentage of Major Highways In Good Condition (3)</u>	<u>Number of Deficient Bridges</u>
2008	33,676	83%	2,838
2007	33,685	78	2,844
2006	33,681	74	2,836
2005	32,423	61	2,892
2004	32,403	47	2,907
2003	32,397	45	2,959
2002	32,340	45	3,029

*Sources:*

MoDOT Tracker – Measures of Departmental Performance

Centerline miles provided by Transportation Planning Division

*Notes:*

(1) Assets of non-highway modes are not owned by the state. MoDOT administers funds to those entities, primarily through federal and state grants.

(2) Beginning in 2006, outer roadways were included in the mileage report.

(3) The Department's emphasis on Smooth Roads Initiative projects in 2005 and 2006 significantly increased the condition of major highways.

# Operating Information

## Capital Asset Indicators

Years Ended December 31

<u>Functional Classification</u>	<u>Total Public Centerline Miles</u>						
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Rural</b>							
Interstate	722	722	800	800	801	801	799
Freeway/Expressway	2	---	---	---	15	---	2
Principal Arterial	3,116	3,117	3,246	3,171	3,175	3,196	3,170
Minor Arterial	3,927	3,927	4,076	4,135	4,025	4,015	3,916
Collector	1	3	63	3	6	3	6
Major Collector	16,210	16,213	16,381	16,458	16,723	16,692	16,820
Minor Collector	5,961	5,966	5,995	5,949	5,771	5,775	5,740
Local	875	869	922	21	25	56	55
<b>Urban</b>							
Interstate	459	459	381	381	380	380	382
Freeway/Expressway	397	399	343	344	330	329	285
Principal Arterial	808	811	701	694	702	708	729
Minor Arterial	516	513	352	340	334	335	334
Collector	437	442	234	110	98	90	57
Major Collector	---	---	1	1	1	---	24
Minor Collector	---	---	---	---	---	---	---
Local	245	244	186	16	17	17	21
<b>Total Centerline Miles</b>	<u>33,676</u>	<u>33,685</u>	<u>33,681</u>	<u>32,423</u>	<u>32,403</u>	<u>32,397</u>	<u>32,340</u>
<b>Statewide Composite</b>							
Interstate	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Freeway/Expressway	399	399	343	344	345	329	287
Arterial Systems	8,367	8,368	8,375	8,340	8,236	8,254	8,149
Collector Systems	22,609	22,624	22,674	22,521	22,599	22,560	22,647
Local	1,120	1,113	1,108	37	42	73	76
<b>Total Centerline Miles</b>	<u>33,676</u>	<u>33,685</u>	<u>33,681</u>	<u>32,423</u>	<u>32,403</u>	<u>32,397</u>	<u>32,340</u>

Source:

MoDOT Transportation Planning Division

Note:

Beginning in 2006, outer roadways were included in the mileage report.

# Operating Information

## Employee Full-Time Equivalents (FTE)

Years Ended June 30

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
District 1	447	446	462	455	449	445	447	443
District 2	460	454	474	465	475	478	473	476
District 3	416	442	455	470	467	465	448	457
District 4	803	792	833	840	826	805	768	797
District 5	516	529	546	544	537	516	514	516
District 6	920	904	925	933	953	945	924	928
District 7	439	462	488	501	499	473	480	485
District 8	531	532	540	545	542	523	525	525
District 9	452	446	468	493	475	453	448	446
District 10	536	536	534	564	553	531	496	521
Director's and Commission Secretary Offices	10	10	10	10	11	13	13	13
Organizational Support Team	139	142	150	138	124	133	146	153
System Delivery Team	660	709	736	751	747	718	683	628
System Facilitation Team	<u>315</u>	<u>320</u>	<u>330</u>	<u>321</u>	<u>345</u>	<u>341</u>	<u>334</u>	<u>346</u>
<b>Total</b>	<u>6,644</u>	<u>6,724</u>	<u>6,951</u>	<u>7,030</u>	<u>7,003</u>	<u>6,839</u>	<u>6,699</u>	<u>6,734</u>

Source:

State of Missouri payroll reporting system



# Other Information

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**Independent Accountants' Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of the Financial Statements Performed in Accordance with  
Government Auditing Standards**

Missouri Highway and Transportation Commission  
Missouri Department of Transportation  
Jefferson City, Missouri

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Missouri Department of Transportation as of and for the year ended June 30, 2009 which collectively comprise its basic financial statements, and have issued our report thereon dated September 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body, management and others within the Department and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

September 24, 2009